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16 Killed in Bomb Explosion At Pretoria Military Offices

PRETORIA — Sixteen persons were killed and about 130 wounded when a car bomb exploded near a military headquarters building in Pretoria during the Friday afternoon rush hour, officials and doctors said.

A policeman in charge of the city morgue said 14 bodies had been brought there. Doctors said two more dead were at hospitals.

Hospital administrators said the injured included 78 at a hospital for whites, including seven seriously wounded, and 50 at a hospital for blacks. They said an undetermined number of injured went to a military hospital.

Law and Order Minister Louis Le Grange, who was at the scene, blamed the attack on the African National Congress, the main black nationalist movement seeking to overthrow white-minority rule.

"I have no doubt who is responsible for this despicable attack. The ANC and Oliver Tambo have claimed they will increase attacks this year."

No organization immediately claimed responsibility for the bombing. The African National Congress has in the past claimed responsibility for most explosions and other acts of sabotage that have taken place against the white-minority government.

A column of smoke rose over the Poynton Building on Church Street, which houses the air force and other military headquarters, including the military intelligence directorate.

One witness said police feared that a second bomb was hidden in a parked panel truck, but that could not immediately be confirmed.

Ten ambulances waited beyond a barbed-wire barricade around the block of Church Street, while others took victims to hospitals.

Dozens of military and police vehicles rushed to the scene and huge crowds gathered after the blast at about 4:30 P.M.

In Parliament, Defense Minister Magnus Malan described the explosion as a "cowardly, criminal deed in the communist war being waged against South Africa."

The South African government contends that black nationalists, supported by members of the Soviet



SPECIAL DELIVERY — A group of Spanish farmers dumped a load of vegetables in the street outside the French Embassy in Madrid as a protest against attacks made on Spanish trucks transporting agricultural products in France. Page 2.

Sakharov's Wife Says He Will Die Without Medical Care in Moscow

By John Burns
New York Times Service

MOSCOW — Yelena G. Bonner called a sidewalk news conference Friday to warn that her husband, Andrei D. Sakharov, the physicist and Nobel laureate, will die unless Soviet authorities relent and allow him to return to Moscow for urgent medical treatment.

A week after an official announcement that Mr. Sakharov will not be permitted sanctuary outside of the Soviet Union, Mrs. Bonner summoned reporters to tell them she and her husband had suffered from serious heart conditions which she said necessitated their return from the provincial city of Gorki, where he has been banished to an indefinite term of exile under secret police guard.

The press conference was to have taken place in Mrs. Bonner's sixth-floor apartment in central Moscow, but the apartment door was barred by plainclothes agents.

Mrs. Bonner, 60, emerged to the scene on the street, and 12 hours later the apartment was still cordoned off.

Much of what Mrs. Bonner said Friday centered on her anxieties about Mr. Sakharov dying in Gorki for want of medical attention or being harmed by the secret police. While in the past she has spoken of the danger of the physicist succumbing to his heart ailment and the pressures of life in Gorki, she now says she fears that the KGB might enter the couple's one-bedroom apartment in Gorki during one of her absences and murder her husband.

"Conditions have been created



Yelena G. Bonner

two decades of work on Soviet nuclear weapons.

Hopes that fresh protests on the physicist's behalf might change the Kremlin's mind received a mocking response from Pravda, which said that the designation of a day dedicated to Mr. Sakharov was typical of the Lewis Carroll world in which Mr. Reagan lives.

Friends said that the announcement barring his emigration came as a sharp blow after the couple had heard Western broadcasts in Gorki suggesting that the Kremlin might let them leave.

On Friday, Mrs. Bonner reiterated the couple's readiness to leave the Soviet Union and thanked the Norwegian government for an invitation to settle there. She said her husband would be happy to live in Norway, where he has close ties because of his selection for the 1975 Nobel prize for his human rights activities.

She said that neither she nor her husband would accept treatment in Gorki because of a pattern of secret police interference with medical personnel who had dealt with the couple there before.

She cited the seizure of a sackful of his personal papers while he was at a dentist in 1981, the involvement of medical personnel in the couple's forcible removal to hospital during their hunger strike later that year and the fact that three people in medical uniforms, evidently a first aid crew, stood by last October when agents approached his car, incapacitated him with a gas of some kind, and removed another sack of papers from the rear seat.

Lebanon Urges Soviet Pressure On Syria to Join Pullout Talks

Compiled by Our Staff From Dispatches
BEIRUT — The Lebanese government has urged the Soviet Union to press Syria to withdraw its 40,000 troops from Lebanon and join the U.S.-mediated troop negotiations, Lebanon's official National News Agency said Friday.

The agency, quoting what it called well-informed sources, said: "The government has submitted to the Soviet Ambassador Alexander Solodovnikov a call for Moscow's help to persuade Syria to enter negotiations with Lebanon on the withdrawal of its forces."

In an attempt to rally support for the Israeli-Lebanese troop withdrawal agreement, signed this week, the Lebanese government dispatched Finance Minister Adel Hamieh to Baghdad on a tour that will also include Yemen and Soviet-backed South Yemen.

Other Lebanese envoys were being sent to capitals of Arab states that might provide support in overcoming Syria's rejection of the agreement.

The United States and Syria were also involved in lobbying Arab states to support their own positions on the withdrawal agreement.

Philip C. Habib, the U.S. special envoy to the Middle East, shuttled back to Egypt on Friday in his campaign to reverse Syria's opposition to the pact.

Mr. Habib arrived in Cairo from Saudi Arabia, where he was believed to have urged King Fahd to use Saudi financial clout with Damascus to get Syria to pull its troops out of Lebanon.

Israel has said it will not fulfill its part of the troop pullout agreement until Syria agrees to withdraw its own forces from Lebanon along with those of the Palestine Liberation Organization.

Egypt's official Middle East News Agency said Mr. Habib would brief the Egyptians on the outcome of his talks with Lebanese and Saudi leaders and on future U.S. moves to support the agreement.

Sources in Damascus, who requested anonymity, said two senior Syrian government envoys would be dispatched on a tour of Arab capitals to explain Syria's opposition to the Lebanese-Israeli troop withdrawal agreement.

The sources said Information Minister Ahmad Iskandar Ahmad and the minister of state for foreign affairs, Farouk Charieh, would undertake the tour as personal envoys of President Hafez al-Assad.

The National News Agency in Beirut, quoting the same sources that told it of the appeal to the Soviet Union, said the Lebanese government was taking measures to fill a "security vacuum" in the eastern mountains that would be created if the Israelis abruptly pulled out their forces.

Many of Israel's troops in Lebanon are deployed in the eastern mountains, the scene of recurring clashes between Christian and Druze forces.

"The Lebanese authorities will be embarrassed by such a withdrawal because it cannot demand Israel not withdraw since the liberation of each single piece of Lebanon's territory is a Lebanese demand."

"But now such a withdrawal will create a security vacuum that must be filled with enough military force," the agency said.

Mohammed Abu Shakra, the spiritual leader of Lebanon's Moslem Druze community, held lengthy talks with President Amin Gemayel on the fragile peace in the mountains.

A statement signed May 10 by Mr. Abu Shakra and the Druze political leaders urged the government not to deploy the army before reaching a political agreement between the Druze and the Christians.

"The Lebanese authorities will be embarrassed by such a withdrawal because it cannot demand Israel not withdraw since the liberation of each single piece of Lebanon's territory is a Lebanese demand."

Sources in Damascus, who requested anonymity, said two senior Syrian government envoys would be dispatched on a tour of Arab capitals to explain Syria's opposition to the pact.

French Consider What To Do With Dioxin

Compiled by Our Staff From Dispatches
PARIS — Forty-one missing barrels of waste containing poisonous dioxin from the Seveso explosion in Italy, discovered in a disused slaughterhouse in northern France, were shipped Friday to a nearby military camp until officials can determine how and where to dispose of it.

The French secretary of state for the environment, Hugues Bouchardon, said Friday the Swiss chemical firm of Hoffmann-La Roche was responsible for an eight-month coverup of the whereabouts of the waste. Hoffmann-La Roche, in turn, blamed Mannesmann, the West German company that had contracted to dispose of it.

There was no immediate comment at Mannesmann headquarters in Düsseldorf.

But Hoffmann-La Roche said it would take the responsibility for the complicated and expensive process of separating and burning the poisonous waste. Incinerators in either Switzerland or France appeared to be the most likely sites. Italy has refused to take the material back.

At the village of Angoulême-le-Sart in northern France, soldiers loaded the glossy brown barrels Friday into four army trucks and drove 37 miles (50 kilometers) to the military camp at Sissonne, 75 miles northeast of Paris. During the transfer, police blocked other traffic to the village of 300 people, which is in a thick forest.

The barrels were found Thursday in a disused slaughterhouse at Angoulême-le-Sart on information that the Ministry of Justice said was supplied by Bernard Parin-



Left, Hugues Bouchardon, French environment minister; above, André Futerkecht, a Hoffmann-La Roche aide; right, Bernard Paringaux, who was to dispose of the waste.

gaux, owner of a waste-disposal firm called Speldec, who had subcontracted with Mannesmann to get rid of the waste.

André Futerkecht, a Hoffmann-La Roche executive who went to the scene when the barrels were found, said: "The dioxin debris is intact. I even opened one of the barrels to verify its good condition." He added, "We will probably burn the barrels."

Mr. Paringaux has been in a jail at St. Quentin, northwest of Angoulême-le-Sart, since March 30 for refusing to say what happened to the waste. Officials quoted him as saying he kept silent because he "didn't want to be burned by his customers."

The owner of the slaughterhouse, a retired butcher named André Droy, said he had been told the barrels contained tar. Mr. Droy, 72, said he had no reason to refuse storing the barrels, noting that Mr. Paringaux is a native of the village.

The barrels contain about two tons of clothing and chemical waste impregnated with 200 grams (about 7 ounces) of dioxin, which the U.S. Environmental Protection Agency calls "the most acutely toxic compound made by man." It is said to be 150,000 times more poisonous than cyanide. The waste remained after an explosion July 10, 1976, at a chemical plant in Seveso that forced evacuation of the town. Dioxin released by the explosion was blamed for causing a number of miscarriages in women and killing hundreds of animals. The plant was run by a subsidiary of Hoffmann-La Roche.

At Hoffmann-La Roche headquarters in Basel, a company spokesman, Hans Fehr, said the firm was consulting with French authorities on the next step. A French incinerating firm, St. Vulpas, near Lyons, would be capable of burning the waste, he said. But the company had refused to do so last year.

"But now that the waste has been found in France and if the French government now agrees [it should be burned in France], there may be a change," he said.

"Mannesmann did not respect the contract that we signed with them," said Mr. Futerkecht, who is responsible for the chemical company's production and technical problems.

Last year, the Italian government approved a plan to remove

Senate Ignores Reagan in Vote On Budget Plan

By Edward Cowan
New York Times Service

WASHINGTON — The Senate has adopted a 1984 budget with tax increases opposed by President Ronald Reagan as too large.

The Senate's action late Thursday by a 50-49 vote set the stage for a conference with the Democratic-controlled House of Representatives, possibly next week, a session that is expected to be long and difficult. It ended months of efforts by the Senate majority leader, Howard H. Baker Jr., Republican of Tennessee, to lead the 54 Senate Republicans to a resolution that Mr. Reagan would support.

[Mr. Reagan reiterated Friday that he would veto tax and spending legislation that is in line with the provisions of the resolution, according to The Associated Press.]

In a statement to reporters on board Air Force One as the president flew to Miami for a speech, he said, "I will not support a budget resolution that raises taxes while we are coming out of a recession. I will veto any tax bill that would do this. And I will veto any spending bill that would rekindle the fires of inflation and high interest rates."

[The presidential spokesman, Larry M. Speakes, said that military appropriations in the budget resolution were "too low, taxes are too high and spending is too high."]

The Senate's proposed revenue increases are \$9 billion in fiscal 1984, which starts Oct. 1, \$13 billion in 1985 and \$51 billion in 1986. The resolution directs that the increases be written into tax law this year.

The Senate has been struggling on and off for nearly three weeks to pass a congressional budget resolution and go to conference with the House. The heavily Democratic House approved a budget late in March with much larger tax increases — \$30 billion in 1984, \$40 billion in 1985 and \$50 billion in 1986. The House version has much larger nonmilitary spending totals, but smaller deficits, than the Senate Republican budget.

The vote culminated an effort in the Senate to compose differences among Republicans and keep the congressional budget process alive. It followed a day of parliamentary maneuvering that saw the defeat of several budget plans, including an early rejection of the bipartisan budget that was eventually approved.

A budget plan supported by Mr. Reagan and the Republican leadership was defeated twice in the earlier skirmishing. That fiscal outline was proposed by Senators Baker and Pete V. Domenici, Republican of New Mexico, the chairman of the Budget Committee.

Given the split within the Republican Party that has denied a Senate majority to a budget, Mr. Reagan would support, the president and other administration officials have been suggesting that having no budget resolution was better than an unacceptable one.

That has offended Senator Domenici and posed a problem for Senator Baker, torn between loyalty to his president and to the institution he leads.

Mr. Reagan's comments about the Congressional budget process prompted some criticism Thursday from Democratic leaders in the House.

Representative James C. Wright Jr., Democrat of Texas, the House majority leader, told Mr. Reagan Thursday morning that he would have to turn off his "spigot" of denunciations if he hoped to win bipartisan support for his foreign policy. Earlier, the speaker of the House, Representative Thomas P. O'Neill Jr., Democrat of Massachusetts, accused Mr. Reagan of being "cruel to the poor."

The vote on the bipartisan plan occurred only after the Senate earlier in the evening had rejected the very same budget, 52-48.

Senator Domenici voted against reconsideration of the bipartisan budget, which was sponsored by Senator Slade Gorton, Republican of Washington. Senator Baker, who moved for reconsideration, voted yes, as did the Republican whip, Senator Theodore F. Stevens of Alaska.

In an initial test, 10 Republicans contributed to defeat of the Domenici-Baker budget. Eight of those 10 supported the Gorton

Internal Spy Agency Proposed for Canada

By Michael T. Kaufman
New York Times Service

OTTAWA — The Canadian government has introduced legislation to set up a clandestine intelligence service with broad authority to intercept mail, install recording devices and surreptitiously break into homes or offices.

The legislation, which is raising concerns among civil liberties groups, also provides a penalty of five years in prison for anyone revealing information from which the identity of a covert operative or informant can be inferred.

The bill setting up the Canadian Security Intelligence Service was introduced in Parliament Wednesday, almost two years after a blue-ribbon panel recommended that the Royal Canadian Mounted Police surrender responsibility for national security to a civilian agency.

The commission made its recommendation after finding that the Mounties had committed crimes such as arson, forgery and burglary for national security reasons. Although criminal charges were filed against some of the police, none has gone to jail and only one has been convicted.

Burt Neuborne, legal director of the American Civil Liberties Union, said warrants could probably be obtained in the United States for each of the actions covered by the Canadian legislation, with the possible exception of breaking and entering.

In the United States, however, investigators have to demonstrate probable cause that the action will yield specified results. The Canadian legislation sets no such limits, obliging judges to be satisfied only that a warrant is required to enable the service to perform its duties.

In Canada, with a written constitution only a year old and where basic civil rights are far more qualified than in the United States, the entire issue of admissibility of illegally seized evidence has yet to be resolved, and suits are pending challenging the use of writs that enable indiscriminate searches without warrant.

On the question of investigative techniques, the Canadian government's bill specifies that with a warrant, the proposed intelligence agency will be able to "enter any place or open or obtain access to anything; to search for, remove or return, or make copies of or record in any other manner the information, record, document or thing; or to install, maintain or remove any thing."

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Nkomo 'Thinks About Things' in London Exile

By Jay Ross
The Associated Press

LONDON — A sad and bitter Joshua Nkomo, the last "king" of Matabeleland, is quietly "thinking about things" in a simple two-bedroom apartment in a fancy London neighborhood a few blocks from Hyde Park.

Three doors away is the haberdashery where he shops for the size 56 "big man's clothes" he needs for his 300-pound frame, having fled Zimbabwe more than two months ago with only the clothes he was wearing. Other than a few shopping forays, he rarely ventures out of his fifth-floor Westminster apartment, neighbors say.

These are bad times for the 65-year-old "Father of Zimbabwe." After a lifetime of fighting for independence for the southern African nation, the opposition leader slipped away in the night of March 8, saying Prime Minister Robert Mugabe had ordered the army to kill him.

Now he sits in lonely self-im-

posed exile in London "writing down some things to remember, according to an aide, largely ignored by the politicians and press around whom his life revolved for more than three decades.

In the course of a desultory, hourlong conversation, he repeatedly tells a reporter, "I belong in Zimbabwe. I've got to get back there. I'm not a Briton."

Yet he shows no sign of preparing to return to Zimbabwe, where in recent months Mr. Mugabe and his cabinet ministers sharply attacked him.

With his flight, the tense political atmosphere in the country has perceptibly eased and reports of army attacks on civilians allegedly harboring dissidents in his Matabeleland tribal homeland have come to an end, at least temporarily.

It is likely that Mr. Nkomo has done exactly what the Mugabe government wanted, and it may well hope he stays in London indefinitely.

His secret flight allowed the gov-

ernment to paint him as a coward. Meanwhile, the government has shifted from confrontation tactics against his followers to attempting to win their loyalty, subtly using the fact that their leader has abandoned them.

By saying he is welcome to return but refusing to talk to him in London, the government has defused the possibility of his painting his self-exile period as an attempt at reconciliation. After a brief flurry of press coverage following his arrival in mid-March from Botswana, the British media have generally ignored him.

Mr. Nkomo has the added disadvantage of apparently being under wraps for fear of alienating his embarrased British hosts, who are interested in maintaining good relations with Zimbabwe.

So he sits in his tiny living room and playfully spars with a reporter seeking a hint of his plans.

The most he will say publicly is, "I wanted to get out and think about what can be done... to help straighten out the country."

"What will I do? I cannot tell you," because that would hamper any chances of success, he says coyly. It appears, however, that he has few plans and fewer options.

If he stays in London he will continue to wither as a political figure.

If he returns to Zimbabwe he could well face eventual arrest. Under emergency powers, the government last month re-detained indefinitely some of his main followers, minutes after a judge had acquitted them of charges of treason and hiding weapons for use against the government.

"The government embarrasses all Zimbabweans when it re-arrests people after a court acquits them," he said.

"I want to help retrieve the country. If I can't, it is up to Robert," he shrugs. "If it becomes hell, so be it, but I don't want it to become hell."

He will not say where his financial support is coming from, but it is believed to be provided by his

former multinational backers during the seven-year guerrilla war. He was forced, however, to move out of his expensive hotel owned by one of them, R.W. (Tiny) Rowland.

Mr. Nkomo's apartment is within sight of the expensive Rowland-owned hotel where he and his large entourage stayed in style during the four months of negotiations in 1979 that resulted in an agreement to bring war-torn Rhodesia to independence as Zimbabwe.

Some of the spark has gone out of Mr. Nkomo, and it appears that he has put on weight since arriving in London. Aside from his aide, named Ernest, there are two men in a bedroom who appear to be bodyguards.

"What gets me is this: I fought against Ian Smith," the white prime minister who went to war to prevent black rule. "Smith arrested me and threw me in prison for 10 years. I got that independence, then I had to flee my own country," he says.



Joshua Nkomo, who has been living in exile in London since he fled Zimbabwe in March.

French Take Farm Clash To Highways

Roads and Toll Gates Are Blocked in South

Reuters

MONTPELLIER, France — Farmers and winemakers caused traffic chaos across southwestern France Friday, blocking highways and major road junctions in support of demands for better prices for their produce.

Jean Huillet, head of a wine producers' action group, said the disruption was a warning to the government. "Our actions will be intensified and become even tougher if we are not listened to," he said. "If necessary, we will make life misery during the tourist season this summer."

Militant farmers occupied superhighway toll gates, causing huge jams, and blocked the railroad lines between Agde and Beziers, radio reports said. At one toll gate outside Narbonne, the demonstrators blocked drivers for the delays by handing out bottles of wine.

In the last few days, they have also intercepted and destroyed shipments of fruit and vegetables from Spain and Italy, claiming unfair competition from cheaper imports.

In retaliation about 20 Spanish farmers took vegetables at the French Embassy in Madrid Friday, breaking several windows, and dumped a truckload of vegetables in the street in front of the embassy.

France's farm industry has been in a state of ferment for several weeks, with demonstrations by discontented producers also affecting the north and south of the country.

Spokesmen for wine producers said a 5.5-percent price increase agreed on by the European Community was insufficient and called for government subsidies.

Law Students Renew Protest

Hundreds of French law students barricaded themselves inside Paris university buildings Friday in fresh protests against planned educational reforms, but medical students voted to end a two-month strike over the issue, United Press International reported.

The rightist law students blocked entrances to university buildings and said they would sit in indefinitely to protest the reforms coming up for parliamentary debate May 24.

The sit-in was prompted by the university's decision to postpone by only one week final exams that had been scheduled for May 24. Students had demanded that final exams be put off until September, arguing that they had been unable to prepare for them because of their campaign of street demonstrations against the reforms.

About 18,000 medical students voted almost 2-to-1 in a national ballot to call off their boycott of classes, but reaffirmed their opposition to the government's education bill.



WAITING — Victor Barychev, a Soviet trade official, waited in a Thai detention center after his arrest Thursday on spying charges. Mr. Barychev, expelled from Thailand, left Bangkok for Hanoi Friday.

Leadership Conflicts Delay Lisbon Coalition

Reuters

LISBON — Personalities rather than political differences are delaying the formation of Portugal's 15th post-revolutionary government, as the two biggest parties enter a third week of negotiations to create a center-left coalition.

"We largely agree on most policy matters," a senior Socialist official said, "but Portuguese politics depend very much on personalities."

The Socialist Party, which won a general election in April but fell short of an absolute majority, began negotiations two weeks ago with the second-place Social Democratic Party, a leading partner in the outgoing rightist coalition.

"It is not easy to establish a common view between a party that has just been in government and one that has been in opposition," Mario Soares, the Socialist leader, said Thursday night before a working dinner with Carlos Mota Pinto, the Social Democratic leader.

Socialist sources said their negotiators could not accept retaining certain Social Democratic ministers in the jobs they had held under the previous government.

"How can you convince people that the government has shifted its policy towards the left if the same people are in the government?" the Socialist official asked.

One of the negotiators' thorniest problems is the choice of a finance minister to lead the country through an unpopular program of austerity that both parties agree is essential.

Economic mismanagement during the upheavals that followed the

overthrow of the dictatorship in 1974 and the international recession have left Portugal, one of the poorest countries in Western Europe, with severe economic problems and a foreign debt of \$13 billion.

Portugal, scheduled to repay substantial debts this year, urgently needs a government to tackle the economy after five months of caretaker administration with little power.

The Social Democrats' general secretary, Antonio Capucho, said certain sensitive issues still needed to be resolved on economic legislation and on matters such as health, employment and agriculture.

Both sides have agreed on the principle of opening to private enterprise some banks and insurance companies that were nationalized under Communist influence in 1975, and on revising labor laws that make it almost impossible to dismiss workers.

But Social Democratic negotiators complain that the Socialists, while agreeing to principles, are loath to discuss details.

The Socialists say delays are often due to the inability of Social Democratic negotiators to make decisions before consulting the myriad interest groups in their party.

Both sides are anxious for the success of the coalition, one of the few political permutations as yet untied since 1974. Its two-thirds parliamentary majority could provide Portugal with the stability and continuity of policy it has lacked so far.

Cape Town Police Finally Defeat Black Squatters With Tear Gas

By Allister Sparks
Washington Post Service

CAPE TOWN — Police and black affairs officials here have finally won a three-month war of attrition against a group of homeless black people who have defied South Africa's racial laws by erecting primitive plastic shelters for their families on sandy wasteland outside this beautiful coastal city.

The campaign to remove what is officially regarded as an illegal "squatter camp" has included repeatedly tearing down the people's shelters and confiscating their clothes, food, cooking utensils and even children's medicines.

It ended with a military-style assault in the early hours of Tuesday morning, when police threw a barbed-wire cordon around the camp and, after giving the people five minutes to disperse, bombarded it with tear-gas canisters. In the ensuing panic, several persons were injured and some children were taken for treatment to a hospital in Cape Town, reporters said.

Later, 76 of the squatters who did not have official permits to be in the Cape Town area were arrested. Two hundred others who do have official permits are being accommodated in two large beachside nearby black townships. Pieter G. Koorhof, the minister in charge of black affairs, has announced a special concession allowing them to build houses on a new site, called Driftsands, 25 miles (40 kilometers) outside the city.

The squatter camp where the people have been trying to establish rudimentary homes is 10 miles from Cape Town, where most of them work.

Mr. Robb, a member of the Black Sash, a civil rights organization that has been trying to help the squatters, said Thursday that two children had been reported lost during the police assault on the camp and the arrests.

The official campaign against the black families has its roots in a 20-year government policy to try to limit the number of blacks allowed to live and work in the western half of Cape Province. The government from the building of houses for blacks because of this policy. However, economic growth in the area continued to draw in black workers despite the controls, with the result that there is now a chronic housing shortage.

Time Bezuidehout, the official in charge of black affairs in the region, estimates there are now about 80,000 black people without homes here. The government now recognizes the need to build more houses for blacks, but it is emphatic in refusing to allow those without homes to build their own shelters in the meantime.

It argues that squatter camps cannot be allowed to develop. Mr. Bezuidehout appeals repeatedly to the homeless blacks to be patient and lodge with other families until the government can build more houses.

However, the pressures of over-

crowding keep forcing groups of people out onto the sandy Cape Flats, where they put up rudimentary shelters, and then clash with the police who come to knock these down.

The clash that ended Tuesday was one of the most prolonged of these. It began last February, when about 600 families put up plastic shelters on the site of what used to be called the Kakaza Trading Center. From then on, the police have waged a war of attrition on the KTC camp, as it has come to be known.

They repeatedly tore down the shelters, only to see the determined squatters put them up again. Eventually, the squatters began dismantling the shelters themselves before dawn each day, putting them up again after dark. The police then took to raiding them at night, confiscating belongings.

The campaign reached a climax last week as the cold winter rains of the western Cape began. For four wet days and nights the police set up spotlights at the camp and refused to allow any of the

squatters to cover themselves against the rain.

"The people dug holes in the sand," Mr. Robb said in an interview Thursday. "If they wrapped blankets around themselves, the police left them, but as soon as anyone pulled anything over his head, the police removed it."

"I saw one policeman stop a woman who tried to cover her baby's head with a petticoat," Mr. Robb added.

On Monday, Mr. Koorhof announced that those KTC squatters with permits to be in the Cape Town area could live in the two townships until the Driftsands site was ready. At the same time, he warned that those without permits could not live in the townships and would be arrested and prosecuted.

That night about 200 whites held a meeting in Cape Town to protest at the treatment of the squatters. After the meeting some went to the KTC camp, where they joined the squatters in singing and dancing. It was then that the police put down the barbed-wire cordon and launched their tear-gas bombardment.

Senate Approves Budget Unacceptable to Reagan

(Continued from Page 1)

budget in its initial test, but it lost 52-48, with the Republican leadership and many conservatives opposing it.

The Senate's rejection of the Reagan-backed budget marked the second defeat for such a measure in a week. A similar plan lost, 52-48, with seven Republicans voting no, May 12.

The Domenici budget projected 1984 spending of \$850.7 billion, while the Gorton budget proposed spending \$849.7 billion. For 1985, the Domenici plan would have spending of \$914.2 billion, and the Gorton budget's outlays would reach \$910.8 billion.

The Domenici budget proposed tax increases of \$2.6 billion in the fiscal year 1984 and \$5.7 billion in 1985, to be legislated this year under a "reconciliation" requirement. The Gorton budget proposed new taxes of \$9 billion in 1984, \$13 billion in 1985 and \$51 billion in 1986, with all three increases to be written into tax law this year.

Senator Domenici expressed skepticism about the Gorton budget's tax proposals. Alluding to the president's threat at his news conference Tuesday evening to veto any tax increases that occurred

while the economy was coming out of recession, Senator Domenici asked the Senate rhetorically, "Will those taxes ever be enacted into law?"

The Domenici two-year budget projected deficits of \$192.7 billion in 1984 and \$185 billion in 1985. The Gorton budget, which provided for somewhat lower military spending, projected deficits of \$179 billion in 1984, \$168 billion in 1985 and \$130 billion in 1986.

In the middle of the evening, the Senate bogged down for more than an hour debating proposals that leaders on both sides opposed.

Unemployment In EC Declined 2% Last Month

Reuters

BRUSSELS — The number of people out of work in the European Community fell 2 percent last month but the underlying trend is still slightly up, the EC statistics office said Friday.

At the end of April there were 11.9 million out of work, 10.7 percent of the working population and 200,000 fewer than at the end of March, it said.

Normal seasonal factors accounted for the fall and masked an underlying trend toward higher unemployment, the office said. The figures excluded Greece, which collects its data on a different basis from the other nine nations in the community.

Space Shuttle in Cologne

The Associated Press

COLOGNE — The U.S. space shuttle Enterprise arrived Friday in West Germany carried on the back of a jumbo jet for a four-day stopover before heading to the Paris Air Show.

Arab States Act to End Gulf War

UPI

RIYADH (WP) — The six conservative Arab states of the Gulf have begun a mediation effort to end the war between Iran and Iraq amid signs of an Iranian willingness to discuss seriously a settlement of the conflict.

The six, led by Saudi Arabia and grouped within the Gulf Cooperation Council, have presented a plan that includes a "reconstruction fund" that appears to meet one of Iran's principal demands for a halt in the hostilities, namely some kind of war reparations.

The plan has been presented to Tehran by two delegates of the council, led by the Kuwaiti foreign minister, Sheikh Sabah al-Ahmad. The other council members are Bahrain, the United Arab Emirates, Qatar and Oman. After a meeting of the council's foreign ministers here Thursday night, a spokesman said the delegation had received an "encouraging response" from both Baghdad and Tehran and that the mediation effort would continue at the request of both countries.

French Defense Budget Adopted

AP

PARIS (AP) — The French National Assembly adopted Friday a five-year, \$30-billion-franc (\$113-billion) military spending plan, which includes a controversial cut in conventional ground forces and a corresponding emphasis on nuclear defense.

French defense officials project that the budget represents an 11-percent real increase in military spending after inflation, with 130 billion francs (\$18 billion) earmarked for France's tactical and strategic nuclear force.

For the Record

LONDON (AP) — Prime Minister Margaret Thatcher formally opened her campaign Friday for the June 9 general election by declaring that her Conservative Party is fighting the rampant "state socialism" offered by the opposition Labor Party.

BASEL, Switzerland (AP) — The police announced Friday that they have cracked a Turkish-controlled narcotics-peddling ring and have confiscated 77 pounds (35 kilograms) of heroin, the biggest seizure ever made by a Swiss narcotics squad. The amount was estimated by the police as having a street value of 20 million Swiss francs (\$9.7 million).

SEOUL (UPI) — South Korea released 1,186 prisoners Friday to mark the anniversary of Buddha's birth, officials said.

CORRECTION: Because of a typographical error, an article in the Special Report on France published Friday incorrectly stated the share of exports in the French rail industry's annual business. The correct figure is 40 percent.

Israel Still Counts on West Bank's 'Silent Majority' to Isolate PLO

By Edward Walsh
Washington Post Service

RAMALLAH, Israeli-Occupied West Bank — Despite a clear lack of success so far, the Israeli civil administration here remains committed to the Arab Village Leagues as the main vehicle by which to foster a "moderate" Palestinian leadership in the occupied West Bank, according to the head of the civil administration.

Shlomo Ilyia acknowledged in an interview that the Village Leagues, created in 1978 and supported by Israel as an alternative to the pro-Palestine Liberation Organization mayors elected in the West Bank in 1976, have gone through a difficult period and were "exhausted" at one point last year.

"The Village Leagues are very young and are making all the mistakes a young political organization makes," General Ilyia said in his office at the civil administration headquarters north of here.

But despite the stylistic changes he has brought to the civil administration since taking over in December, General Ilyia said there has been no change in basic Israeli policy in the West Bank: To smash the influence of the PLO in the territo-

ry and develop in its place a Palestinian leadership willing to deal with Israel on the basis of the Camp David autonomy formula.

The announcement by King Hussein of Jordan that he will not enter Middle East peace negotiations either separately or as a representative of the Palestinians appears likely to refocus attention on the political attitudes of the West Bank's 700,000 Arab residents.

With Hussein and Yasser Arafat, the PLO's chairman, in apparent deadlock over how to respond to President Ronald Reagan's Middle East peace initiative, General Ilyia and other Israeli officials hope that what they call the pro-Jordanian "silent majority" in the West Bank will now demand that Jordan take the lead in representing their interests with or without Mr. Arafat's blessing.

Israel has long pinned its hopes on this silent majority emerging from the shadows to accept Israel's terms for autonomy while breaking with the PLO, completely isolating Mr. Arafat and his colleagues.

Menachem Milson, a Hebrew University professor and one of the chief architects of the policy, argued that the only hope for a political settlement in the West Bank

was to "free the population of the territories from the grip of the PLO" and to "make a real effort to create conditions in which moderate Palestinians can speak out."

The Village Leagues, created and funded by Israel and granted certain powers and even weapons by the Israelis, were to be the source of this alternative leadership.

But the experiment has made little discernible progress while in recent months its guardian, the civil administration, has been going through a period of turmoil itself.

Mr. Milson resigned last fall as the first head of the civil administration. The reason he gave was the Israeli government's initial refusal to appoint an official commission to investigate the massacre of Palestinians in refugee camps in Beirut.

Mr. Milson's critics, however, contend that he had fallen out of favor with Ariel Sharon, then defense minister, and would not have kept his job in any case.

Mr. Milson was replaced by his top aide, Colonel Yigal Karmou, until December when Brigadier General Ilyia was taken from the army's intelligence service and installed in the civil administration.

At this point, however, both the future of the civil administration and the direction of West Bank policies under Israel's new defense minister, Moshe Arens, remain uncertain.

In recent days, press reports in Israel have said that the top commanders of the Israeli Army were urging that they be empowered to deport Palestinians who take part in demonstrations and that Mr. Arens is considering a reassertion of the military's role in the territory, downgrading the importance of the civil administration.

General Ilyia, 38, a native of Syria who speaks Arabic, has brought a different style to the job than that of the abrasive Mr. Milson and has moved to reduce some of the friction between the civil administration and the West Bank Arabs.

He has reduced from 400 to about 260 the number of Village League members authorized to carry Israeli-supplied arms.

General Ilyia is more candid than many Israeli officials in assessing the relative strengths of the PLO and Village Leagues in the West Bank five years after the creation of the leagues and almost a year

since the PLO was driven from southern Lebanon.

He estimated that 20 percent to 30 percent of the West Bank's population supports Mr. Arafat or other "left-wing" Palestinian leaders, a figure that many Palestinians would contend is too low.

But General Ilyia conceded that even fewer West Bank Arabs, between 15 percent and 20 percent, support the ideas of the Village Leagues and that the leagues' active membership is even less.

The Village Leagues' recent troubles have included internal strife and the dismissal of the head of the Hebron district Village Leagues amid charges of financial irregularities.

The leader of the leagues, Mustafa Duden, has gone forward with the creation of a Federation of Palestinian Leagues, supposedly to link all the individual West Bank leagues together. But it does not appear to have progressed much beyond the organizational chart stage.

General Ilyia blamed the Village Leagues' troubles not only on the opposition of many Palestinians, who consider Mr. Duden and his followers collaborationists and op-



Richard Stone

Board Warns of Air Traffic Problems

But Admits Good Safety Record Since Controllers Were Fired in U.S.

By Douglas B. Feaver
Washington Post Service
WASHINGTON — The National Transportation Safety Board has reported that the nation's air traffic control system is suffering from several significant safety problems despite the excellent record it has compiled since President Ronald Reagan fired 11,400 striking controllers in August 1981.

In a letter to the Federal Aviation Administration, which operates the system, the board said Thursday, "Based strictly on the absence since the strike of a significant number of accidents attributable to [air traffic control] factors, the ATC system has been operated safely."

However, it said, problems in the system "indicate that the margin of safety is less than the safety board believes to be desirable."

Nine recommendations to the FAA were backed up by a report detailing months of interviews, surveys of controllers and other checks by board investigators.

The board said that it is concerned about four things:

- "Incomplete reporting" of errors by controllers and pilots that result in planes getting too close to one another. The FAA, the board

said, concentrates on disciplining controllers who err, which means that controllers tend not to report their errors and the FAA tends not to get at the roots of their causes.

- The FAA has not found a way to monitor and correct excessive workload, fatigue and stress among controllers, most of whom have had few vacations and have worked many hours of overtime to keep the air traffic system functioning since the controller strike.
- As restrictions on the number of flights are relaxed and traffic increases, "the controllers' workload is increased and the margins for error are reduced logarithmically."
- Front-line supervisors, who keep the system running after the strike, are continuing to handle traffic almost as often as they supervise. When they do, no one supervises, although "the need for direct supervision still exists and must be provided."
- The FAA's Flight Service Stations, which provide weather information and other aid to non-scheduled aviation users from less than 100 miles from airports, have been unable to meet demand. The result is that many unscheduled airlines and small plane pilots have chosen to fly with outdated weather information and without benefit

of air traffic control services they should have used.

To deal with the problems, the board recommended, among other things, that the FAA:

- Postpone planned increases in air traffic volume until sufficient controllers are trained and qualified and supervisors can return to supervising.
- Develop measures of determining and alleviating stress among controllers.
- Reprogram the FAA's air traffic computers so they will detect and report controller errors that can be analyzed.
- Permit controllers to report mistakes and errors by themselves and others without fear of disciplinary action.
- Assign adequate staff and equipment to Flight Service Stations so the aviation community will get better weather and flight plan information.

The safety board has no authority to require regulation or change, it can only nag. The FAA is required to acknowledge board recommendations but is not required to adopt them.

Dennis Feldman, a spokesman for the FAA, said the report would be studied.

"We're pleased that the board

did not find the system unsafe," he said. "Our feeling is that the best empirical evidence of any safety matter is the record itself."

No accidents have been attributed to strike-related causes, the board said. The report is the second major study the safety board has conducted since the strike, and both have concluded that flying is still basically safe.

There was substantial debate among the board's five members as to how harsh the new report should be in raising problems. The issue was resolved when members Donald D. Engen and Francis H. McDermott filed a concurring comment that said, "In our view, the tone of the report implies a lack of safety that is not supported by objective data of the day-to-day operation of the system."

Board members not bothered by the tone of the report and voting for it were Patricia A. Goldman, G.H. Patrick Bursley and Chairman Jim Burnett.

Transportation Secretary Elizabeth Hanford Dole and J. Lynn Helms, the FAA administrator, have been telling Congress that the air traffic control system is now capable of handling as many flights a day as it did before the controllers struck.



EAST-WEST TOAST — Canadian Agriculture Minister Eugene Whelan, left, chatted with Soviet Politburo member Mikhail Gorbachev in Ottawa before the two traveled 20 miles by limousine on muddy backroads for a meal at Mr. Whelan's farm home.

Egypt to Improve Base Without U.S. Funds

WASHINGTON — Egypt has decided not to accept U.S. funds to improve military facilities for use by the American rapid deployment force but is considering paying for and building those facilities itself, a State Department spokesman said Friday.

The spokesman, John Hughes, said Egypt's offer to permit U.S. forces to use the Egyptian military base at Ras Banas still stands "should they be needed to assist an Arab or Moslem country requesting assistance to repel an armed attack."

"Egypt remains fully committed to this offer, as it remains fully committed to other aspects of our strategic cooperation," Mr. Hughes said, including Egyptian involvement in the Bright Star joint military exercise scheduled to be held in Egypt this summer.

■ Negotiations Suspended

Earlier, Richard Halloran of The New York Times reported from Washington:

The United States and Egypt have suspended negotiations leading toward the improvement of the Ras Banas base, officials in the Reagan administration said.

Secretary of Defense Casper W. Weinberger reportedly decided to end the talks several days ago because of disagreement over such questions as control of the base, and Thursday he asked congressional leaders to eliminate \$96 million in construction money for the next fiscal year.

The talks ended amicably, the officials said, but they acknowledged that the interruption marks a setback in defense plans for the oil

Pinochet Is Feeling Shock Waves of Protest

By Juan de Onis

International Herald Tribune
SANTIAGO — After nearly 10 years in power, the highly repressive Chilean military regime of General Augusto Pinochet has been shocked by the most widespread public protest against economic and political conditions since General Pinochet led the overthrow of the late President Salvador Allende in 1973.

It took only a hastily organized call by the copper miners' union for a nonviolent "day of national protest" May 11 to trigger an outburst of dissent across the social spectrum.

Workers held protest rallies in their shantytowns and two persons were killed when police opened fire on demonstrators. In middle-class apartment houses, thousands of women pounded pots and pans. Caravans of automobiles blowing horns circulated in the elegant tree-lined streets of the upper city, where the generals and admirals live.

"This is what hurt the regime the most," said Sergio Barriga, a miners' union leader, referring to the defiance shown in the upper and middle classes, where the government had almost unconditional support until recently.

El Mercurio, the "establishment" newspaper that is closely identified with the regime, acknowledged editorially that the day of protest showed that "parisons of the regime have become increasingly disheartened" by General Pinochet's political immobility and

reluctance to create openings to civilian political forces.

After a week of cautious analysis of the situation, including a cabinet meeting, General Pinochet announced a television address for Friday night to discuss "national problems." This will probably be his answer to the protests.

The Pinochet style is repressive. Under the constitution of 1980, adopted by plebiscite, the president's term extends until 1989 and he wields emergency powers under which dissidents can be jailed or exiled without trial.

These powers have been applied to Andres Bello, an exile who is now president of the worldwide Christian Democratic International, and Manuel Bustos, a key union leader. Another labor figure, Tadeo Jimenez, leader of the civil service union, was kidnapped mysteriously last year and found dead on a country road with a bullet in his head.

But repressive decrees and political intimidation are no longer a basis for maintaining necessary support for a government that seems increasingly isolated in its dependence on the armed forces to stay in power.

Although political parties have been banned since 1973, political allegiances are just below the surface. The shift among businessmen and professionals from support of this regime to dissent in support of many organizations.

In the election last month for di-

rectors of the influential national lawyers association, the opposition swept six of the eight seats against a concerted effort by pro-government candidates, backed by Justice Minister Monica Madariaga, to retain control.

The growth of the opposition and the dissatisfaction with the regime is stimulated by a severe economic crisis. One out of four members of the labor force is unemployed. Businessmen and farmers are swamped by high-interest debts. Banks are having serious difficulties collecting loans.

Javier Vial, who heads a financial-industrial conglomerate that was worth more than \$1 billion a year ago, lost control of the key to his empire, the Bank of Chile, which was put under government administration in January to avoid a collapse. The bank owes nearly \$2 billion to foreign banks.

Once regarded as a pillar of support for the free-market international borrowing policies of the regime, Mr. Vial is now an outspoken critic of the government's handling of the crisis.

"If we are going to recover our agriculture and revive our industries, which are working at 30 percent of capacity, the government has to increase the supply of money, increase tariffs to protect our activities and provide credit stimulation to housing and public works," Mr. Vial said in an interview.

Under the conditions of a \$900-million standby loan obtained from the International Monetary Fund recently, Chile is committed

India Quietly Discusses Purchase of \$1 Billion In Weapons From U.S.

By Bernard Weinraub
New York Times Service

WASHINGTON — India has quietly expressed interest in buying machine guns, mobile howitzers and C-130 aircraft in a potential \$1-billion purchase of arms from the United States, according to administration officials.

Such a move, after months of secret talks, would mark a significant step away from India's reliance on the Soviet Union as its main arms supplier. "It would definitely be a positive step in our relations," a State Department official said Thursday.

India, seeking to diversify its arms purchases abroad in recent years, has bought Mirage fighters from France, Jaguar jets from Britain and submarines from West Germany. The politically delicate discussions with the United States have involved a wide range of weapons including F-20 Tigerhawk jet fighters.

Officials said the talks began after Prime Minister Indira Gandhi visited the United States last year, when President Ronald Reagan directed his administration to press for an arms relationship with India. Officials of the National Security Council and the Defense Department have played key roles in

the talks, which have taken place in Washington and in New Delhi between the U.S. ambassador, Harry Barnes, and Indian military aides.

Officials close to the discussions said India's military was especially interested in buying U.S. weaponry and had observed and commented on Israel's military mastery and its use of American weapons over the Syrians, with their Soviet weaponry, in the conflict in Lebanon last year.

"Various possibilities have been explored, ranging from small arms to aircraft," said a ranking Defense Department official. "Nothing is closing right now, but it may. The Indians have been talking to our production managers."

A State Department official said India had shown genuine interest in buying 50-caliber machine guns, self-propelled 155mm artillery and C-130 transport aircraft, which would largely be used for scientific teams in the Antarctic.

India makes about 85 percent of its arms, including its own infantry field gun, artillery, tanks, trucks, some rockets and planes. It has largely depended on Moscow for the remaining 15 percent, with the Russians offering highly concessional terms involving credits repayable in local currency. Moscow is said to supply T-72 tanks, surface-to-air missiles, patrol boats, anti-tank weapons and electronic equipment.

The United States has served as Pakistan's major arms supplier but has never provided a major flow of weapons to India. It once sold weaponry there but cut off those sales during India's wars with Pakistan in 1965 and 1971.

Senator Orrin G. Hatch, deputy foreign policy chairman of the Senate Select Committee, said in a Senate speech Thursday that a "historic shift" was under way in U.S.-Indian relations "brought about by the strategic vision of President Ronald Reagan and his advisers."

The steering committee, a conservative group of 25 senators, is known to meet regularly with William F. Clark, the National Security Council director.

Mr. Hatch, Republican of Utah, said that India's relations with China and Pakistan had warmed considerably and that the "Reagan administration is on the verge of establishing a balanced American relationship with India and Pakistan for the first time in many years."

Mr. Hatch also said that Indian requests to buy equipment "will be acted upon favorably by the Congress." He said there was bipartisan support for such sales and that "many conservative senators support the effort to de-couple Mrs. Gandhi from her close relations with the Soviet Union."

It is known that Mr. Hatch recently sent an aide, Michael Pillsbury, to New Delhi twice to assure the Indian government that there would be considerable congressional support for the arms sales despite Mrs. Gandhi's friendly ties to the Soviet Union.

U.S. Still Unsure Of the Identity of Beirut Bombers

Washington Post Service

WASHINGTON — White House, intelligence and Pentagon officials say they still do not know who carried out the bomb attack on the U.S. Embassy in Beirut on April 18 in which 63 persons, including 17 Americans, were killed.

Despite some recently broadcast and published reports of evidence linking the bombing to the government of Iran, senior officials here say there is not enough hard evidence at this time to "point the finger at anyone."

"The agencies are still sifting through a lot of intelligence and haven't yet reached any firm conclusions as to who was responsible," said a senior intelligence official.

A well-placed White House official echoed that assessment. Both officials, and others interviewed, emphasized that they were not ruling out Iranian involvement in the bombing. Rather, they were saying, as the White House official put it, "that we don't know precisely. We don't have enough information to make that charge."

Officials say the Iranians remain the most plausible suspects. But there are other suspects, including Libya and Syria and groups of Lebanese and Iraqis who are pro-Iranian. Immediately after the bombing, a little-known terrorist group called the Islamic Jihad, or Holy War, claimed responsibility, but other groups have also done so.

Reagan Strongly Attacks Castro, Promises Aid to Central America

The Associated Press

MIAMI — President Ronald Reagan, in a harsh new attack on communism and President Fidel Castro of Cuba, declared Friday that Congress would be writing "a prescription for disaster" if it failed to give El Salvador the weapons it needs to fight leftist insurgents.

"Our friends cannot be expected to stand unarmored against insurgents who have been armed to the teeth by the Soviet-Cuban-Nicaraguan axis," Mr. Reagan said in remarks prepared for delivery to a Cuban-American group on the 81st anniversary of Cuba's independence from Spain.

In another of a series of campaign-style appearances, Mr. Reagan said that even though Cuba was no longer independent, "we will not let this same fate befall others in the hemisphere, we will not permit the Soviets and their henchmen in Havana to deprive others of their freedom, and some day, Cuba itself will be free."

Mr. Reagan combined his attack on Mr. Castro with a warning to Congress that it must act now to prevent Central America from going down the same path as Cuba.

"Today a new colonialism threatens the Americas," the president said. "Insurgents, armed and directed by a far-away power, seek to impose a philosophy that is alien to everything in which we believe and goes against our brightness."

"It is a philosophy that holds truth and liberty in contempt and is a self-declared enemy of the worship of God," he said.

"Wherever put into practice, it has brought depression and human deprivation," he said. "There is no clearer example of this than Cuba."

Mr. Reagan delivered his speech to the Cuban-American National Foundation, a nonprofit group.

The president, who received about 40 percent of the Hispanic vote in 1980, spent several hours in Dade County (Miami), where an estimated 581,000 Hispanics live.

In his speech, Mr. Reagan called Cuba "a new fascist regime," which represses freedom of speech and press and sends young soldiers to far-away lands "to do the bidding of a foreign government, defiling their hands with the blood of others, not serving their own interests, but propping up leaders who have no popular support."

This was an apparent reference to Cuban involvement in Angola.

He stressed that he would not permit anything similar to happen in Central America, where he said people had chosen the course of freedom.

"They, and we, are committed to this course and will not tolerate Mr. Castro's efforts to prevent it. They, and we, want Central America for Central Americans and that's the way it's going to be."

He assailed the Cuban economy as "a grotesque joke" and said that Cuba is "rapidly becoming one of the most economically backward countries in the region," thanks to the communist system.

For the second time in two weeks, Mr. Reagan also accused the Castro government of involvement in the drug trade, "peddling drugs like criminals, profiting on the misery of the addicted."

Mr. Reagan said the time had arrived in Central America "to act reasonably and decisively to avert a crisis and prevent other people from suffering the same fate as your brothers and sisters in Cuba."

He called for congressional approval of his aid package as well as his proposal for tax and trade advantages for U.S. companies that invest in the region. He also urged approval of legislation that would establish Radio Marti, a proposed U.S. propaganda voice to originate from Florida.

The Senate Foreign Relations Committee recently voted unanimously to give El Salvador \$76 million in military aid this fiscal year and in fiscal 1984. That gives the administration \$60 million less than it wanted in total aid this year and \$10 million less than it was seeking for next year.



In a rare display of agreement, Oleg Troyanovsky of the Soviet Union, left, joined Sir John Thomson of Britain, center, and Charles M. Lichenstein of the United States in voting Thursday for a Security Council resolution on Central America.

U.S., Nicaragua Clash in UN Council

New York Times Service

UNITED NATIONS, New York — The United States and Nicaragua clashed at the United Nations Thursday immediately after they voted together in the Security Council to urge four Latin American nations to intensify their peacekeeping efforts in Central America.

Nicaragua's foreign minister, the Reverend Miguel D'Escoto Brockman, renewed his charge that the Reagan administration has "directed and financed an immoral and unjustified armed invasion by mercenaries from Honduran territory."

Mr. D'Escoto said the resolution demanded an end to that policy.

Charles M. Lichenstein, a deputy U.S. delegate, said in reply that Mr. D'Escoto had lost touch with reality, had tried to rewrite the council's text and had "maligned and misrepresented the policies of my government and its elected president."

The resolution, adopted by a vote of 15-0, was broad and vague enough to accommodate both Nicaragua and the United States. Its key paragraph urges "the Contadora Group to spare no effort to find solutions to the problem of the region." The group, comprising Colombia, Mexico, Panama and Venezuela, takes its name from the Panamanian island where the nations first met to discuss the crisis in Central America.

4 More Top EPA Officials Resign

The Associated Press

WASHINGTON — Four high-ranking officials of the Environmental Protection Agency submitted their resignations Friday as William D. Ruckelshaus, the agency's new administrator, moved quickly to establish his mark.

Those resigning included the directors of the agency's air and water programs and the regional administrators in Boston and Philadelphia. Their resignation letters were turned in to Mr. Ruckelshaus Friday.

Agency sources, who asked not to be named, said the resignations had been requested by him.

Those resigning included Kathleen Bennett, assistant administrator for air programs, and Frederic A. Eidness Jr., assistant administrator for water programs.

Their departure means that all

six assistant administrators at the agency have left in recent months.

Also resigning Friday were Peter N. Bibbo, regional administrator in Philadelphia, and Lester A. Sutton, regional administrator in Boston.

Former Administrator Anne M. Burford and more than a dozen of her top aides left before Mr. Ruckelshaus was nominated for the job in the wake of the congressional investigations.

■ Ethics Policy Announced

Cass Peterson of The Washington Post reported earlier:

Mr. Ruckelshaus, moving quickly to try to patch up the Environmental Protection Agency's image, announced a new ethics policy that is to include weekly release of his appointment calendar and those of other top officials.

Congressional investigators have subpoenaed the calendars of some

former agency officials, looking for evidence of undue industry influence. One official destroyed his calendars.

Besides opening the appointment calendars, he set out new policy in three other areas, saying that:

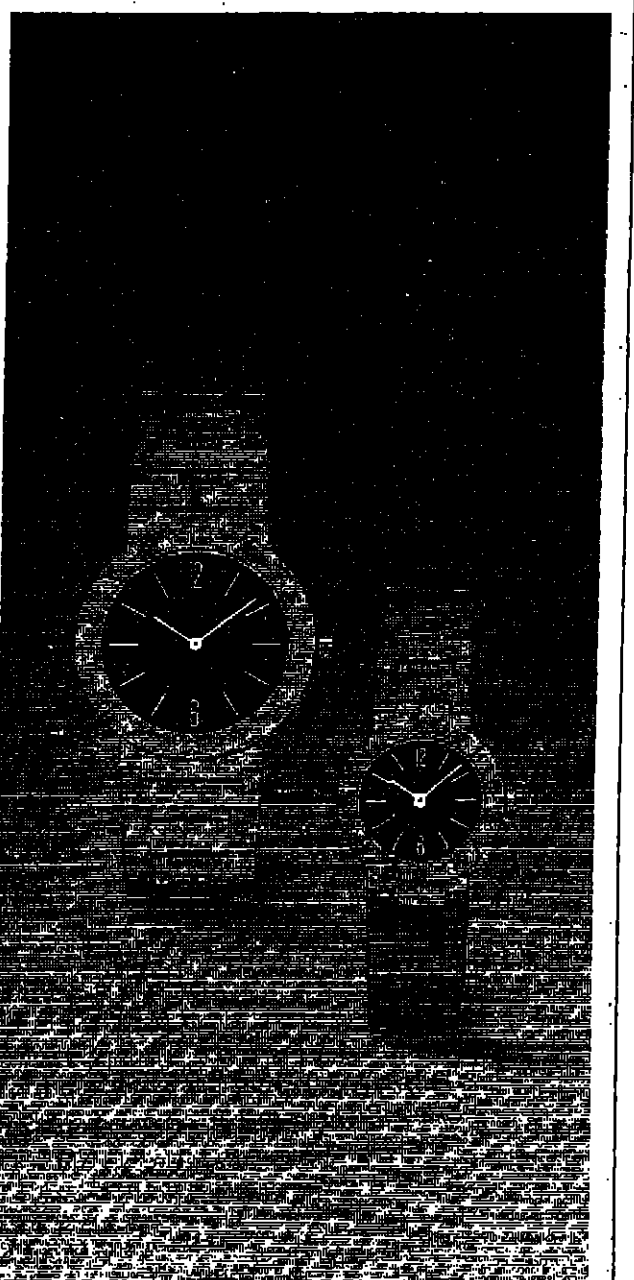
- The agency will provide for the fullest possible public participation in decision making, including a special effort to seek out the views of those affected by the decisions.
- All communication with parties to lawsuits or formal adjudications must be done through attorneys assigned to the case.
- Employees must make sure that all public comments are entered in the official docket, along with any significant new factual information or argument likely to affect a final decision by the EPA.

COMING IN JUNE

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a special report by the International Herald Tribune

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Herald Tribune

Published With The New York Times and The Washington Post

How to Pay Marcos

An old dilemma seems likely to intrude again into Washington's tricky relations with the Philippines. President Marcos is an authoritarian ally, unashamedly high-handed. It has been discovered that he composed a secret decree in 1981 that threatened death to those who "scurrilously libel" him. The offensiveness of this threat of martial law is not much lessened by assurances that, since the decree was never published, it will not be enforced.

Marcos seems unconcerned about the pressure such despotic conduct puts on his relations with the United States. He knows that Americans place immense value on continued use of air and naval bases at Clark Field and Subic Bay. Indeed, as the base agreement comes up for review, he will be pressing for much higher rent. Hints to Congress suggest he may want triple the \$300 million now being paid for five years.

These are the largest bases in Asia, and vital counters to the Soviet naval buildup at Vietnam's Cam Ranh Bay. Filipinos contend that Washington already pays more generous compensation for smaller bases in Spain, Turkey and Greece.

How much are Philippine bases worth? Would the United States make more friends than enemies by paying more? Is it reasonable for Washington to attach conditions obliging Marcos to live up to his democratic promises?

These are hard questions. Americans ought to be at least as cold-blooded in their appraisal of Marcos's standing as he is in conducting his affairs. Dollar for dollar, the bases are worth a lot, maybe even a billion more. Still, in casting

a balance, Americans cannot ignore the Filipinos' nationalist clamor against the bases and the risks of betting too heavily on a family dynasty that rules increasingly by force and fraud.

Over 17 years, Marcos has turned a constitutional democracy into a personal satrapy. He and his wife have had their successes and have made themselves useful as anti-Communist allies. But he has been unable to win protracted wars with Islamic and Marxist insurgents, and, for all his high-blown propaganda, he is unwilling to put his popularity to a genuine test.

The country's Roman Catholic bishops have decried the government's economic policies, which leave poverty untouched by inequitable growth. A recent pastoral letter protested human rights abuses and warned: "Legitimate dissent is all too crudely construed by the government as rebellion and treason, as subversion in its conveniently amorphous definition." A government that makes utterance a hanging offense obviously has more to worry about than bad press notices.

So what ought Americans to do? At the least, bring a long spoon to the forthcoming negotiations. If more money is to be spent, let it be expressly earmarked for economic development projects. A search for alternative bases, possibly in Guam or the Marianas, would not hurt the U.S. bargaining position. Nor would it hurt to learn what the Filipino opposition thinks of Washington's proposed arrangements with a dynasty whose permanence cannot be decreed, even by Marcos.

—THE NEW YORK TIMES

Static From Cuba

Radio Marti is back — the Reagan administration's proposal for a new official station broadcasting just to Cuba (the Voice of America covers Latin America as a whole). At the time the proposal was drafted last year, mostly for extraneous considerations, it seemed a good way to expand the listening choices of Cubans, as long as the broadcasts would serve the purposes of information, not destabilization. It still seems a good idea, but there's static on the line.

For about 15 years, Fidel Castro's prodigious domestic and international broadcasts, sent out without use of directional antennas, have interfered with domestic broadcasts in the United States and in the Caribbean and Central America. Notwithstanding widespread complaints, Cuba arrogantly announced new plans to expand greatly the power — and interference potential — of its transmitters.

In the Carter period, efforts were finally launched to work out a solution. But when Radio Marti was announced, the Cubans, seeing it as hostile and provocative, rebuffed negotiations in the American-favored format. They have since ignored decisions of the regional body that allocates frequencies.

Fidel Castro is a practicing radio outlaw. But in his capacity to interfere with American stations, he wields a weapon for which the United States has yet to find a suitable defense. He threatens now to answer Radio Mar-

ti with more interference. During congressional hearings on the new radio, he brought his intent home to American broadcasters by jamming about 20 U.S. commercial stations with the Voice of Cuba.

U.S. stations, speaking through the National Association of Broadcasters, are aware that Cuba is using them in its fight against Radio Marti. They squirm in the role. But, notwithstanding occasional mutters about "taking out" the offending Cuban transmitters, the U.S. government has not done much about interference. The record makes broadcasters wonder what help they will get if Radio Marti comes on the air.

Actually, U.S. officials have taken some practical steps, agreeing, for instance, to have Radio Marti share the AM frequency already used for 20 years by the Voice of America. The Radio Marti legislation offers limited funds to compensate broadcasters for expenses incurred in mitigating Cuban interference.

The broadcasters did not create the conditions that make Cuban-American issues so hard to resolve. They are entitled to expect their legitimate commercial interests to be respected. Fortunately, patrons of Radio Marti, displeased by the association's effective lobbying, appear to be trying to meet the broadcasters halfway.

—THE WASHINGTON POST

Truly Independent

What should be done about political action committees that make "independent expenditures"? These PACs raise money, entirely legally, and then spend it on advertisements for or sometimes against political candidates. The Supreme Court has ruled that the First Amendment prohibits the U.S. government from barring such spending in congressional elections, unless there is contact or collusion with the candidate in whose behalf the money is spent.

So much is clear. Now comes the question of the legality of "independent expenditures" in behalf of presidential candidates who accept public financing. The Supreme Court decided 4 to 4 on the issue last year. Those who would make such expenditures illegal argue that the law prohibiting any such spending over \$1,000 is a reasonable way to make the public financing system work and to ensure equal competition between the parties.

Taking the opposite view are the National Conservative Political Action Committee and the Fund for a Conservative Majority. They say they plan to spend about \$10 million to reelect President Reagan. Why should government be able to limit their freedom of expression, they ask, just because the candidate, whose cause they want to advance, has accepted (or may accept) some federal money?

These two groups are hopping mad because

the Federal Election Commission has announced that it will enforce the law against such expenditures. They argue that, unless they get a speedy decision in court, they may be barred from making what may turn out to be entirely legal campaign expenditures. But the FEC has a good argument too: It is probably obliged to enforce a law that has not been definitively declared unconstitutional.

As a practical matter, about \$13 million was spent independently in the 1980 presidential campaign, mostly for Mr. Reagan, and similar sums will likely be spent in 1984 if the courts allow the practice — unless the FEC cracks down and requires independent expenditures to be really independent. There's the nut of it. It's not easy, in the world of political consultants and operatives, to spend such large sums without some contact or collusion. Supposedly, independent spenders and the leaders and staffers of the campaigns they aid have webs of business relationships, political alliances and personal friendships that go back for years.

The FEC could considerably reduce such spending, in presidential and congressional races, by announcing an aggressive enforcement program — monitoring campaigns and PACs closely to detect any contact or collusion and seeking stiff penalties for violations.

—THE WASHINGTON POST

FROM OUR MAY 21 PAGES, 75 AND 50 YEARS AGO

1908: Deportation Expected

TOKYO — The early expulsion of Mr. Bethell from Korea is pressed by negotiations between the Japanese and British governments. Despite the frequent suppression of individual issues Mr. Bethell persists in publications which are pronounced by the Japanese government as seditious and inflammatory. The British and Japanese agree as to the desirability of the deportation. The Japanese desire Great Britain to initiate proceedings, but British authorities hesitate, fearing embarrassing questions in Parliament from advocates of the freedom of press. There are indications that resort will be had to the method adopted in Siam when Mr. Liley, a British editor, was deported by the Siamese government.

1933: Dietrich's Trousers

PARIS — Marlene Dietrich can wear any attire she chooses in the gardens of Versailles, but if she sports trousers on the Paris Boulevards she will be subject to arrest under an old Paris law, according to the prefect of police. "Trousers or skirts for women's wear are all the same to us outside of Paris, but if Miss Dietrich or any other woman wears men's clothing in the streets of Paris and thereby attracts undue attention the Parisian police will certainly exercise its prerogative and intervene." Whether Miss Dietrich is cognizant of this law or influenced by the regal setting where courtesans of old swished their silken trains, the fact remains that the "Blonde Venus" reverted to feminine frills.

Intervention in Latin America: A Pessimist's View

By William Pfaff

PARIS — There is a curious assumption, made again and again in Washington when affairs such as El Salvador come up, that foreigners are the people who can make the decisive difference in a civil struggle. Washington assumes, on the one hand, that even if a government demonstrates grave difficulties in controlling its own territory and people, this may be the mere result of outsiders' inspiring or arming an insurrection. It assumes equally that its own aid and inspiration is capable of keeping a jeopardized government in power. What, then, do the Salvadoreans themselves (to stay with the obvious example) have to do with what is happening to them?

Washington's view of what makes or breaks the political and military authority of a government seems an extraordinarily oversimplified one. It seems also an extraordinarily frightened view, as if Russians or Cubans possessed, and could lend out to their clients, a degree of political-military potency no one else commands.

Surely a serious government should be capable of looking after itself — certainly when it already enjoys plenty of arms and economic aid from abroad. And if it is incapable of defending itself, and loses control of part of its territory, forfeiting the

support of a significant part of its population, can a foreign government really provide what is required to reinspire loyalty and re-establish the affected government's authority?

The government of El Salvador is not in its present plight because the guerrillas have more guns than the Salvadoran Army. It is in this plight because it has lost credit among an important segment of its population. That, one would think, is scarcely something to be fixed by an even heavier dose of North American intervention. A government is not lent legitimacy in the eyes of its people by rendering itself the dependent, and apparent subordinate, of a foreign power. That brings back the unhappy memories of Laos and Cambodia — of those huge, fortified, air-conditioned U.S. embassies, which had all but taken over from what purported to be the actual governments of those two luckless countries. Taken over to no avail, one should note.

Even the most enthusiastic sponsor of more U.S. involvement in El Salvador is unlikely to deny that what has been happening in Central America is caused primarily by economic and social forces that are inherent in

the region, and that derive much of their character from a history of repeated North American interventions. They simply would say that these factors are not decisive today, and that what the Cubans, Nicaraguans and Russians are doing to El Salvador is what makes the vital difference. They think the United States can reverse that.

They also say that there is a serious threat to the security of the United States itself. When President Ronald Reagan spoke to a joint session of Congress in early May to ask increased aid to El Salvador, he said that there was no valid comparison with Vietnam because no U.S. troops were needed in Central America. Yet if the present crisis were as vital a threat to United States security as Mr. Reagan insisted that it was, it would be illogical to withhold troops,

were things to go badly there. The urgent question is not that of U.S. soldiers, but of the analysis. Is the situation what Mr. Reagan and his administration say that it is? And can North Americans really make the difference?

I am a pessimist — I would prefer to say realist as well, in view of what has happened in comparable circumstances in the past. To create difficulties for a government in a backward country, with social or regional tensions (or communal ones, as often is the case in Asia and Africa), is not difficult. The United States is doing it right now, with notable success, in Nicaragua, by giving aid to disaffected Nicaraguans — the "contras" and the ex-Sandinista "Commander Zero." Fine. It does and should work both ways. But the outcome is not going to be decided by whether the CIA sends

more rifles to "Commander Zero" than the Cubans and Russians ship to Managua, any more than the outcome in El Salvador is going to be decided by the arms, training and good (or other) advice provided by the U.S. Embassy in San Salvador.

Countries are made with blood and iron, and governments prevail when they demonstrate the will and the competence, or the bloodthirstiness, to succeed. These are not importable commodities. They cannot be obtained in crates shipped from Miami marked "Gift of the American People." They are not available from Havana, either. To believe otherwise would be fatal to the Salvadoreans, but it could also have very damaging consequences to the United States. One might have thought that had been demonstrated for once and for all 10 years ago in Saigon.

International Herald Tribune
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There's Nothing Covert About U.S. Operations

By Philip Geyelin

WASHINGTON — You can't follow the debate over the Reagan administration's Central American policy, and still less can you appreciate its ultimate absurdity, without a dictionary. The operative word is "covert." Webster's New World Dictionary is downright adamant about its meaning: "Concealed, hidden, disguised, or surreptitious."

That's the point of "covert operations": The U.S. hand is supposed to be hidden from the American public and other interested parties; U.S. involvement is supposed to be convincingly deniable in case somebody takes offense; that way, you avoid the awkwardness of being seen violating treaties or breaking domestic and/or international law — and the embarrassment if the operation fails.

I thought this slowly because it all sounds so plausible ("Congress Debates Secret War in Nicaragua") that it takes time for the insanity of it to sink in. Once it does, the futility of constructive discussion begins to sink in. And that's what's happening now in the argument in Congress over Ronald Reagan's plan to ease the heat on El Salvador by lending "covert" support to anti-government forces in Nicaragua.

By reason of its "covert" nature, the idea is being talked to death. The process is worth examining, step by inexorable step.

Leave aside whether "covert" activity of any kind to destabilize unfriendly governments is consistent with U.S. values — or workable. You could make some case for the administration scheme on its terms a year ago: the idea was that support for opposition elements in Nicaragua would help undercut Nicaraguan support for the rebels in El Salvador, either directly or indirectly by making the Sandinist government pay a price.

Congressional intelligence oversight committees had given secret concurrence, with the proviso that the purpose not be to overthrow the government in Managua. But last fall, the effort suddenly ceased to be "concealed, hidden, disguised." It was all over the press, impressively documented by the U.S. government, either directly or indirectly by making the Sandinist government pay a price.

So total was the breakdown of secrecy that Congress made the secret proviso public in the form of the so-called Boland amendment. And now Ronald Reagan himself has given away the plot and his real purpose.

If Congress wants "to tell us that we can give money and do the same things we've been doing, providing substance and so forth to these people directly and making it overt instead of covert, that's all right with

me," he told a small group of reporters in his office. But not, he added, if the administration "would have to enforce restrictions on the [Nicaraguan] freedom fighters as to what tactics they would use." In other words, no nice distinctions about the opposition's purposes between "aid" and "supply lines to El Salvador and overthrowing the Sandinist junta."

Congress isn't going to be foolish enough to license the administration to jump in openly on the side of a Nicaraguan insurrection. So the question is whether the administration can persuade Congress not to vote a total ban on continued "covert" U.S. activity in Nicaragua.

That's where the whole debate goes off the rails.

An outright ban would have a precedent: the Clark amendment forbidding covert U.S. aid to Angola in

1975. But complications set in if Congress actually votes to reject a ban. That becomes a go-ahead, publicly, to conduct a "covert" operation. As one congressional critic puts it, "By not saying no, we're saying yes."

For just this reason, there is growing demand among younger members of the House, in particular, to go on record to cut off any "covert" intervention in Nicaragua. The leadership until recently has taken the traditional line that any such interference with the President's foreign policy prerogatives could be turned into a "Who Lost China" campaign talking point if El Salvador were lost.

But support for the commander in chief is one thing; open approval, even indirectly, of "dirty tricks" is quite a different political issue, post Vietnam. It is reliably reported that so influential a figure as the House

majority leader, Jim Wright, who spoke up eloquently in support of the president after his address to a joint session, was even more eloquent in a recent closed-door meeting of the House Foreign Affairs Committee in favor of shutting down "covert" operations in Nicaragua.

The cost of such a compromise for those in Congress who like nothing about the administration's Central American policy will probably be a vote for most of the military-aid money for El Salvador — and extra funds for overt efforts to shut off the Nicaraguan supply lines through Honduras. That may not be enough to meet Ronald Reagan's purposes. But it might help us all think more clearly about the implications, in the conduct of U.S. policy, of the word "covert."

The Washington Post

Reminders of Past in Move on Nicaragua Sugar

By Stanley Meisler

LOS ANGELES — For old Caribbean war-watchers, President Reagan's recent decision to cut the Nicaraguan sugar quota has the stink of a television rerun.

More than 20 years ago, another U.S. president, Dwight D. Eisenhower, was determined to punish another leftist government in the area, Fidel Castro's Cuba, and bring it to its knees by cutting its sugar quota. Many scholars now believe that the decision was foolish. It was certainly futile.

In the end Cuba was brought not to its knees but closer to the Soviet Union. Castro might have been heading in that direction in any case, but the U.S. offensive against Cuban sugar surely helped make the move easy, quick and inevitable.

The failure of a policy in 1960 may have little to do with the chances for success of a similar policy today, but the parallels are too striking to ignore.

Since 1934, under a special agreement, the United States has been paying Cuba a few cents a pound above the world price for supplying most of the sugar cane imported into the United States. In small part, this was a legacy of Franklin D. Roosevelt's Good Neighbor policy toward Latin America. In much larger part, however, it was a system of protection for the U.S. sugar industry.

By guaranteeing the purchase of a

set amount of Cuban sugar at a high price, the U.S. government ensured that domestic sugar producers would not be undersold in the United States by foreign producers. A protective tariff could not have done the job, because U.S. farmers did not produce enough sugar to satisfy the domestic demand. Sugar had to be imported.

The quota had been the mainstay of the Cuban economy. By abolishing it, the Eisenhower administration expected the halt in dollar purchases of sugar to force wage cuts among Cuba's 500,000 sugar workers, and to dry up much of the foreign exchange that was needed to buy imported food and other goods. U.S. officials hoped that these wage cuts and shortages would then provoke popular discontent with Castro.

The policy had its critics. Ambassador Philip Bonsal in Havana, for example, evidently persuaded that understanding would have more influence on Castro than hostility, reportedly regarded the policy as unwise, but his advice was not heeded. More important, Harold D. Cooley of North Carolina, the Democratic chairman of the House Agriculture Committee, did not like the policy with a system that had worked so well for the U.S. sugar industry for so many years.

The president needed congressional

authority for his action. In the end, he got it. The House and the Senate gave in to the arguments of Representative William Miller of New York (who became the Republican vice presidential candidate in 1964). A vote against the Eisenhower policy, Miller warned, would be a vote in support of Castro and international communism. Congress voted to end the Cuban quota and to distribute it among countries that were friendly.

The abolition of the quota caused Castro a great deal of trouble. At first he pronounced it a blessing in disguise, proclaiming that it would spur Cuba to diversify and industrialize its economy. But this proved far too difficult. A decade later Cuba tried to produce more sugar than ever before to take advantage of increasing worldwide demand.

Castro rushed around the countryside in 1970 and exhorted all Cubans to join in producing 10 million tons of sugar. White-collar workers in the cities had to get out in the fields and help. In the end, Cuba produced more than it ever had produced before, but it was still 1.5 million tons short of Castro's goal. Many analysts believe that this obsession with sugar accomplished little more than a disruption of the rest of the economy.

Disaster was avoided because the Soviet Union usually bought most of

the Cuban crop. Purchases of sugar became the main form of Soviet economic aid to Cuba. In the 1960s the Soviet Union spent \$1 billion buying Cuban sugar above the world price. In the 1970s it sometimes paid three to five times the world price. When the world price rose above the guaranteed Soviet price, the Soviet Union would release Cuba from its contract and let it earn more money by selling on the world market.

The Cubans came to depend as much on the Soviet Union to buy their sugar as they had depended on the United States.

All the parallels between Cuba then and Nicaragua now lead to obvious questions. Is the Reagan administration trying to encourage discontent within Nicaragua in the hope of fostering internal rebellion in coordination with invasions by exiles? Will the policy only drive Nicaragua closer to Cuba and the Soviet Union? Is the policy doomed to failure?

The answers are not as obvious as the questions, but one thing is clear: Irony infuses the latest policy on Nicaraguan sugar. If the United States had not abolished the Cuban sugar quota years ago and distributed it among friendly countries (such as the one run by the Somoza family), Nicaragua would not now have much of a quota to be cut.

Los Angeles Times

Which U.S. Voice on Syria Will Moscow Heed?

By James Reston

WASHINGTON — The secretaries of state and defense spoke in public recently about the problem of getting Syrian troops out of Lebanon, each in a different way.

Secretary Shultz, addressing the Business Council in Hot Springs, Virginia, and clearly disappointed in Syria's refusal to bring its troops back home, as Israel has promised to do, offered to renew contacts and improve relations with Damascus, calling Syria "a proud country" with "legitimate security concerns with respect to Lebanon."

Secretary Weinberger, speaking to the American Jewish Committee in New York, took a different approach:

"I want to make it very clear to the Soviets and any proxies they may have in Syria that any aggression by them would be met by a retaliatory force that would make the aggression totally unwelcome."

What does this mean, other than that the Reagan administration is still speaking with many voices? Would "any aggression" by Syria be met by a "retaliatory force" of U.S. troops and weapons, or was Weinberger presuming to speak for Israel? Or was he warning Moscow with the approval of the president?

The chances are that the secretary of defense was speaking for himself and not for the administration, certainly not for Shultz, who is trying to tip-toe through the Lebanese minefield and get the Syrians back to the negotiating table by persuasion rather than threats.

It would not be surprising, however, if Weinberger's statements were taken by Israel and Lebanon as a commitment to use "retaliatory force." For he added that the United States could not "afford to have any of our friends in the region, including moderate Arabs, conclude that we in the United States are unreliable, as surely they would if at any time we were seen to abandon Israel."

Shultz, whose quiet diplomacy persuaded Israel to withdraw its troops from Lebanon if Syria did the same, has put the Soviet Union in an awkward position. Syria is Moscow's last stronghold in the Middle East, and it is determined to remain there if at all possible. Accordingly, it has installed SAM-5 anti-aircraft missile batteries in Syria operated by hundreds of Soviet technicians and backed up by at least 4,500 Soviet troops.

Weinberger earlier said that these

new missiles raised the risk of another wider Middle East war, but the Russians have been insisting that their aid to Syria is intended to prevent air attacks by Israel.

According to this view, the Soviet Union is confident that Israel would not chance pre-emptive strikes that would undoubtedly take many Soviet lives in Syria. Also, according to this hypothesis, Moscow is more interested in retaining its influence in Syria than in starting a war or allowing the Syrians to risk another military defeat by Israel.

Shultz is trying to quell the war talk and is specifically warning Israel of the dangers of attacking Syria. Why, then, the threats from Weinberger? Because that's his way. He is probably the best attorney in the Reagan administration. If he were secretary of state, as he hoped to be, he would undoubtedly be the outspoken counselor for peace, but as he is the attorney for the Pentagon, he tends to speak for the warriors.

Also, he has been stung by charges that his opposition to some Israeli policies indicated an anti-Israel bias, and he took the occasion of his appearance before the American Jewish

Committee to deny the allegations. "We have all had occasional disagreements with some policies of Israel, as with other sovereign nations," he said. "But even if I were not a strong admirer of Israel and all they have accomplished — as in fact I am — even if the American people were not bound to Israel by emotional ties, as they are and should be, as secretary of defense I would still be a strong supporter of Israel."

That, however, is not the issue. The issue is who speaks for the United States, keeping its intentions clear and its commitments in line with its power. When, for example, the president says that "the political and strategic stakes" are as great for the U.S. in Central America as they were in Europe after the last World War, and adds that he will not send combat troops there to defend those interests, he merely confuses the people at home and in Central America. Likewise, it's not helpful when Weinberger speaks of the Syrian problem in threatening terms just when Shultz is proclaiming, rightly or wrongly, that both Syria and the United States regard a renewal of contacts and improved relations as in their mutual interests.

The New York Times

LETTERS

French Tax Law

Regarding "U.S. Seeks Extended French Tax Break" (IHT, May 13):

I would like to clarify several points on the French wealth tax, which is likely to confuse American citizens in France grappling with an already poorly defined situation for them with respect to this tax.

A foreigner may be considered resident in France for tax purposes (including wealth tax) from Day One of his arrival if he comes to settle and work in France. The two-year rule cited in the IHT refers to residence for French exchange control purposes.

The net worldwide wealth needed to be subject to the tax was increased to 3.2 million francs for 1983, from 3 million francs for 1982. The additional exemption available for business assets was increased to 2.2 million francs from 2 million. The rate scale was also altered: e.g., the 1.5-percent rate applies generally to net assets valued in excess of 10.6 million francs on Jan. 1, 1983.

While an official extension of time to file wealth tax returns pending treaty negotiations was granted to Americans in France, no "three-year exemption" was granted unilaterally by the French government to Americans or, to my knowledge, to any other nationality. Rather, the French stated that in the context of their tax treaty negotiations they would offer a three-year exemption for certain foreigners living in France for professional reasons. In the course of the U.S. treaty negotiations, this three-year period has been expanded to five. In any case, individuals who had already lived in France five years or more on Jan. 1, 1982, would not benefit from this exemption.

Finally, readers may be interested in knowing that the U.S. treaty negotiators have also sought exemption from the wealth tax on the U.S. real estate and business assets of all Americans residing in France, whether here for a short or long period.

STEPHANIE H. SIMONARD
President, Association of
Americans Resident Overseas
Paris

A Nice Guy

Regarding "Key Reagan Advisor Got Laser Firm Stock" (IHT, April 29):

Harding was a nice guy too. Without presuming to dispute the comments of Reston et al. that Reagan, albeit lazy, is an amiable, decent man living in the past (Grim's White House past?), I submit that these kind descriptions would apply as well to our lazy, amiable and decent predecessor of Teapop Dome removal.

DAVID F. SEIFERHELD
Grasse, France

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ARTS / LEISURE

La Fenice Stages a Bold 'La Rondine' in Venice

By William Weaver
International Herald Tribune

VENICE — Of Puccini's mature operas, "La Rondine" is the most misunderstood and the least performed. Even some of the most serious Puccini scholars have dismissed it as a failure, a hybrid, a poor imitation of Lehar. Fortunately, in recent years a pair of complete recordings and an increasing number of productions have given opera-lovers a chance to reappraise this work and to grasp its admittedly elusive, sometimes even puzzling charm.

Originally, Puccini was commissioned to write an operetta, but he seems to have abandoned the idea almost immediately. All that remained of it was a libretto (which he had totally rewritten), a contract with a Vienna theater, and a few "Viennese" touches in the score: ghostly waltzes, more like echoes than dances, an occasional sparkling outburst, which as a rule is quickly tempered by characteristic Puccinian wistfulness.

The current production at the Teatro La Fenice is certainly the boldest and most thought-provoking that "La Rondine" has ever

had and while future directors may not want to imitate it, they will surely want to learn from it. The director in Venice, Giancarlo Cobelli, first of all took Puccini at his word and eliminated any suggestion of operetta. This is opera at its richest.

Shifting the action from the Second Empire, specified in the libretto, to the years of World War I, the period of the composition of the work, Cobelli gave the piece a tragic context, thus admirably diminishing the sentimentality (especially in the last act). Dividing the stage horizontally, he established

two levels of narrative. During the opening scene, for example, as Magda sang the little ballad of Doretta, it was acted out, in fairy-tale dumb show, on the upper platform, and a little later, in her aria "Ore dolci e divine," her own story was mimed in the same legendary vein. Certain details were perhaps too intrusive (the military hospital elements in the last act, for example) but Cobelli's vision was coherent and pointed. This was no gimmick; there were no silly, Ronconi-like tricks. The director was unfolding his version of the story, and it worked even if it was basically against the grain of the text.

He was splendidly abetted by the conducting of Gian Luigi Gelmetti, who lingered perhaps over the story's grotesque elements (the comic love affair of the poet and the maid-servant), but helped desensitize the work and indicate some of the subtleties of the delicate score. To the hectic dance music of Act 2, Gelmetti gave an ironic edge, and in the first act at the mention of Paris he underlined over so stily the brief fanfare in the orchestra. Obviously, he had won the Fenice orchestra over to his ideas. They played with exceptional finesse.

The sets and costumes — by Maurizio Balò — were also part of this new view of "La Rondine." At times, the set could have done service for a "Wozzeck" or some Brecht drama. The costumes — especially women's dresses, were anti-sexy, yet beautiful in their woven heaviness, their dulled colors, plum and apricot and gun-metal. The chorus and the principals wore the clothes well and moved — often in a tense slow-motion imposed by Cobelli — with grace and discipline.

As Magda, the swallow-like courtesan of the title, Sylvia Sass was lovely and brooding. She sang passionately, accurately, movingly, and in the long conclusion of the last act she revealed a tenderness and nobility that made the opera's ending almost tragic rather than pathetic. Her lover, Ruggero, a sweet stick from the provinces, was portrayed stolidly, but not unpleasantly, by Vincenzo Bello. Andrea Martin was an acceptably sober Rambaldo, Magda's banker protector, who gets the girl in the end.

The most important male role is that of Prunier, the poet, whose irony, wit and solicitude make him a kind of Mercurio. Max René Costi has the type to perfection, and his true, clear tenor voice is ideal. Lisette, his soubrette partner, was Daniela Mazzucato Meneghini, pert and pretty.

The numerous small roles were all excellently done. Magda's three friends, got up in the first act to resemble Norma more than frequenters of Magda's, deserve special mention: Patrizia Dordi, Rossana Didone and Cristina Brancata Benedettelli. They were an ornament to Magda's drawing room and performed their roles delightfully and musically.

The new team at La Fenice — Lamberto Trazzini, general manager, and Lello Gomez, artistic director — has now really hit its stride. You may not agree with everything presented, but you are unlikely to be bored there. The house program of this "Rondine" is a collector's item, with several unpublished Puccini letters, some rare photographs, and the complete libretto with all the variants (it exists in three versions, though Puccini finally returned to the first, which is the one now performed).

Browsing in the Galleries in Paris

By Michael Gibson
International Herald Tribune

PARIS — The new Caroline Corne Gallery is currently showing books treated and mistreated by 18 American artists. The overall effect has the charm of a collection of curiosities. John Eric Broadbent, for instance, is represented by a couple of volumes (a book on artists' performance and one on anesthesia) which he has neatly cut out and painted from cover to cover. Part of the charm is no doubt that of the single, unique object which one has perfunctorily been tempted to deny in recent years for various ideological reasons, and part is obviously due to Broadbent's attractive playfulness and sense of color. Stephanie Brody-Lederman makes booklike objects with a playful intent. Other artists include Brion Gysin, Christo, Jean-Jacques de la Verrère (who is American despite his name), Eileen Sinner, who turns books into mysterious objects, and Tony May, who makes them into furniture and lampshades. The show offers a nice opportunity of discovering one of the lighter sides of American art.

14 Rue Guénégaud, Paris 6, to May 24.

It was 18 years ago (she was then 36) that Allah spoke to Chabria in a dream and enjoined her to paint. And that is what she has done, with unflagging energy, in an idiom of her own in which raucous colors keep one another implausible company and shapes assert themselves with unquestioning aplomb. The first impression is that of a typical Cobra painter or a distant cousin of Chassac, but this unschooled Joan of Art of the Maghreb is visibly her own inspiration.

Chabria, l'Oeil de Bouef, 58 Rue Quincampoix, Paris 4, to May 28.

The Pavillon des Arts is part of the ongoing building project overlooking the pit of the Forum des Halles, and it is currently presenting a handsome selection of works from the New York Museum of American Folk Art. The obvious masterpieces of this field are the admirable quilts, but there are also all manner of other objects: paint-

ings, weather vases, sculptures, garden gates, furniture, rugs, needlework, wickerwork, jugs, toys, dolls, etc.

Pavillon des Arts, 101 Rue Rambuteau, Paris 1, to May 29.

The Galerie le Dessin is showing india ink drawings which Alan Odle (1888-1948) did in 1936 for an edition of Rabelais' "Gargantua and Pantagruel." The drawings were intended to be made into woodcuts, but the project fell through and only Odle's drawings remain: strange, quasi-anamorphic, pseudo-medieval nightmares. The form is graphically remarkable for its unity, and the treatment of space is unusual and somewhat reminiscent of the work of psychotic artists in which each entity somehow grows out of another. The show includes a large painting by Enro, based on Odle's style and characters.

Alan Odle, Galerie le Dessin, 27 Rue Guénégaud, Paris 6, to May 30.

Roseline Granel's recent work includes a group of 12 tall plaster figures standing high on pedestals and apparently inspired by Bohemian Baroque sculptures. Granel's figures are very light because of the material of which they are made — plaster and fiber — and the fact that they are often like masks, the back of the figure being open and hollow. Their principal quality is their lack of apparent content. These tall human figures stand in a circle making sweeping gestures, dancelike, trance-like, and the visitor has the sense of having walked into a silent, dramatic, harmonious and pathetic scene of which he cannot know the meaning. There are also some small bronze works, also marked by attitudes, draperies and enigmatic preoccupations.

Darthea Speyer Gallery, 6 Rue Jacques Calot, Paris 6, to June 11.

Glynis Boyd Hart's Paris lithographs are freshly colored, decorative works destined to those who get a nostalgic twinge from a Métro ticket or a folded map of the city. It is all neatly and professionally done with a certain graphic fluency, and there is a sort of inno-

cent charm about addressing oneself to this sort of subject today.

James Major Gallery, 34 Rue Mazurine, Paris 6, to June 4.

Lucio Fanti's idiom is a form of irony derived from realism. His recent large paintings are studiously painted rebuses that are quite enigmatic until an explanation is forthcoming. The rowboat filled with water which frequently appears in his work is a reference to a line from Mayakovsky about "the ship of poetry having been shattered against daily life." Two of the paintings were commissioned by the city of Grenoble and deal with that city's native son, Stendhal (the hated place). One shows the terrace of Stendhal's grandfather's house, (the only corner of the city he actually loved), with waves lapping the pillars of the pergola as though they were the pillars of a whirl.

Krief-Raymond Gallery, 50 Rue Mazurine, Paris 6, to June 15.

On Exhibition in Rome

By Edith Schloss
International Herald Tribune

ROME — After World War II, liberation meant abstraction. No longer isolated by a restrictive regime, the youngest artists looked abroad and developed a style of their own eventually called Informale. Despite its affinities with New York Abstract Expressionism, it had a specific stance that had less to do with raw action, undirected energy, than with calligraphic quality and special attention to the materials used, and, in the end, with a harmonious or witty balance of all of these: interests after all inherited from the Renaissance and centuries of craftsmanship.

Colla was the first to weld found machine parts, and industrial and agrarian tools together, and to fashion them into handsome modern totems. In the beginning, Burri regarded paint blobs by themselves as found elements, before he began

to use sackcloth instead of canvas, making material, sutures and sewing work as image and line.

Fontana literally turns the surface into space, slicing and piercing pristine canvases to premeditated points, and with other sophisticated devices turning them into immensely elegant reliefs. Capogrossi finds an infinity of variation on the theme of his invented runes, assembling and dispersing them in all sorts of patterns. Scialoja matches subtle colors and textures in vertical stripes and bands with restraint and refinement.

Only the absence of the maverick Turcato, one of the most original practitioners of Italian postwar abstract painting and that of some others, is puzzling. Otherwise this selection offers the very finest examples from the hand of a circle of artists of quality and dignity.

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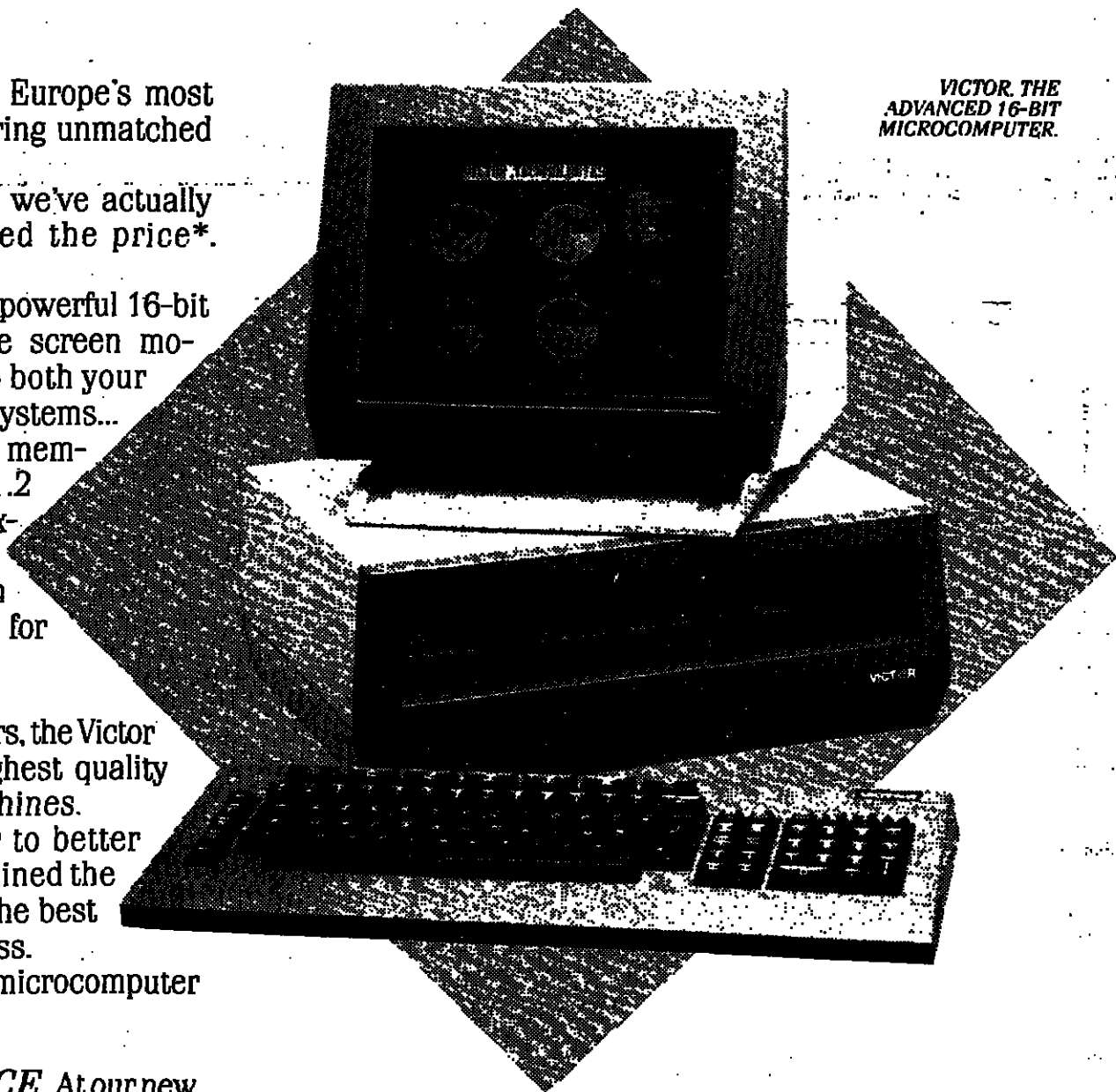
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ARTS / LEISURE

Sotheby's Rousing Havemeyer Success

By Soren Melikian
International Herald Tribune

NEW YORK — On May 18, Sotheby's scored a brilliant success in its brand-new York Avenue auction house. Within two hours, 91 Impressionist and modern paintings, 14 bronzes and a set of silver plates were sold for more than \$37 million, 10 paintings fetching over \$1 million each. In

THE ART MARKET

the long room packed with more than 1,000 people, millionaires rubbed shoulders with international dealers while the bidding went on simultaneously in two other rooms with the help of a closed-circuit television.

The handling of the sale was impeccable, drawing murmurs of approval from the European dealers, who had come in large numbers. John Marion, widely recognized as one of the best New York auctioneers, conducted the sale with a mixture of briskness, geniality and humor admirably suited to the audience. The key men in Sotheby's Impressionist and Modern department — David Nash of New York City, Michel Strauss of London, Marc Blondeau of Paris — were posted about the room and made sure that things went smoothly. The anxious look worn by Nash, who did not appear to relax for a single moment and the watchful appearance of Blondeau, Sotheby's rising expert in the Impressionist field, left little doubt that a crucial battle was being waged.

Had Sotheby's lost it, the firm might have been wiped out. "But we won it," Peter Wilson, the firm's honorary group chairman, wryly retorted to the suggestion.

The trump card that Sotheby's used was the group of 16 paintings from the estate of Berle D. Havemeyer, daughter-in-law of Horace O. Havemeyer and his wife Louise, née Elder. Together, the Havemeyers were probably the most perceptive — and eclectic — collectors in the United States.

Louise Waldron Elder was only 20 when she bought Degas's "Repetition de Ballet," eight years before her marriage, at the instigation of her friend the American Impressionist painter Mary Cassatt. Later, the couple went after major Old Master paintings, many of which are now in the Metropolitan Museum of Art, and, more daringly, after Iranian art, of which they acquired admirable specimens, mostly pottery of the 12th and 13th centuries, now also in the Met.

The huge gift of more than 1,000 works of art donated to the museum after Louise's death in 1929 took away most of the greatest paintings. But the couple still left, of which two, both by Degas, were enough to attract museum attention from all over the world.

The Havemeyer collection in turn attracted two lesser collections, that of G. David Thompson of Pittsburgh and of Joseph E. Levine of Los Angeles, plus a small group of paintings de-accessioned by the Met. Other paintings of reasonably good quality were similarly turned into Sotheby's net. Picasso's "Head of a Woman" was still left, would probably not have been consigned to Sotheby's by the consortium of dealers who owned it had it not been for the glamor cast over the auction by the Havemeyer holdings.

Interestingly, the Havemeyer



Degas's "L'Attente," the \$3.74-million star of Sotheby's Havemeyer auction.

sale got off to a hesitant start. The first lot, a landscape study by Degas in pastel knocked down at \$60,500, sold within the estimated price bracket, \$44,000 to \$66,000. After that, the sale proceeded easily without really causing dramatic surprises. Edouard Manet's "Roses in a Glass Vase," sold for \$1.54 million, is perhaps the one exception. Marvelously well painted, it is the master's last work but one, executed in 1883. But Claude Monet's important landscape of 1871 showing a view of Zaanand in Holland fetched \$1.54 million, close to Sotheby's upper estimate and well under the expectations of several professionals in the room. And Paul Cézanne's very beautiful view of Auvers done around 1873 in the most advanced Impressionist style of the period was sold for \$467,500, only just over the lower estimate.

Nor would such a portrait, executed in Paris in 1901 when Picasso was still painting in an Impressionist manner under Fauvist influences, have risen to \$1.37 million. This is an enormous price for a work that is not in any of the styles that gave Picasso his stature in 20th-century art. It was the cleverly arranged assortment that transformed what could have been a distinguished one-shot auction — the Havemeyer paintings — into a multiple-headed rocket.

Much to the relief of Sotheby's experts, the high point came next, with one of Degas's most forceful and gloomy pastels, called "L'Attente" (Waiting). An elderly woman in black clothes is seated on a bench, her head dependently bent forward, while a ballet dancer sitting next to her bends forward to massage her ankle. This zoomed to \$3.74 million, thanks to the determination of Norton Simon and the J. Paul Getty Museum who acquired it jointly, thereby establishing a world record for the artist.

There were two more huge prizes. \$2.02 million for a Cézanne still life, "Flowers in a Vase," and \$3.41 million for Degas's study in pastel of a woman singing in an outdoor cafe. Both works fall in a category sought after by museums — they are large, spectacular, typical of the master's style in his best period. Immediately after, however, a

lovely winter landscape by Monet, painted with the subtle light effects that only he could achieve, went down at \$805,000, which is far from unreasonable. And the very last lot, which is one of Degas's most beautiful landscapes in pastel was actually inexpensive at \$66,000, demonstrating that while the market has regained considerable strength, the mad days of yore have yet to come back.

Indeed, had it not been for some of the huge prices paid for the Havemeyer works and the feeling of pleased relief that it generated among those attending, including the toughest professionals, the outcome of the second day of the sale might have been quite different. It is the Havemeyer fallout that was last Wednesday's most significant event as far as the future of the market is concerned. That Renoir's "La Baigneuse" — a plump young woman in the nude seated sideways on a river bank — should have es-

tablished an auction record at \$2.75 million is remarkable. The painting can hardly be claimed to be the artist's greatest. Equally noteworthy is the auction record price of \$2.64 million, given for the one of Monet's "Nymphs" executed around 1897. The painting is very attractive, but of a much earlier date than the most sought-after "Nymphs." In both cases, the works were incorporated with the top-notch category represented in the Havemeyer sale, even though this may not be justified.

In the whole sale, only five works failed to find a buyer. There were no sudden gaps, as so often happens at auctions — hence the extraordinary overall score. As Daniel Malingue of Paris, one of the sturdiest European professionals, left the room, he was heard to comment to a fellow dealer: "The market has had its rejuvenating shot." So has Sotheby's, with a \$3.7-million net commission.

Musical 'Men at Work'

By Michael Zwerin
International Herald Tribune

PARIS — Along with two albums ("Business As Usual" and "Cargo") simultaneously in the Top 10 (a first since Elton John did it in 1974, says their manager Russell Deppeler), another interesting angle to the rapid success of Men At Work is the fact that they are Australian.

Australian musicians were fit for the eclectic 1980s, when shuffled influences often become styles of their own. "There has not been much home product," the group's saxophonist, Greg Ham, said before a concert at Le Palace. "You are forced to have an international outlook when you live in a distant, sparsely populated country."

Men At Work, once described as a "good meat-and-potatoes band," sounds like a five-piece Police, with generous touches of Supertramp, Traffic and Dire Straits. All in their 20s, they shot out of nowhere and won a Grammy ("Best New Artist") with "Business As Usual," which hit No. 1 in the United States last October, and then

stayed put until February. Of course, you nowhere is somebody else's somewhere, and according to Ham, Australia is somewhere close to a rock paradise: "There are maybe 30 rock bands making a living in Melbourne alone, and I would guess about the same number of clubs with a full-time live music policy, all this in a city the size of Boston."

"There's an upsurge of nationalism in Australia. In the '60s everything cultural seemed to be happening overseas. But then Australian films began to get international attention and that had an effect on the music industry. After the success of the hard rock AC/DC and the New Zealand band Split Enz, people began to talk about the 'Australian Sound.'"

Men At Work was discovered in Melbourne by Michael Ware, a CBS sales representative who paid up "Men At Work" signs in the CBS executive car park and came in to a board meeting with a ladder and banged a hammer, saying: "You've got to hear Men At Work." The name was chosen "in a boring way," according to their lead singer/songwriter Colin Hay: "We had a job and no name. Somebody said: 'Well, let's call us Men At Work.'" They worked pubs for audiences that Hay describes as "Thursday night payday crowds looking for a meaningful experience — a meaningful drunken experience."

Their first single, "Who Can It Be Now?" released in Australia two years ago, spent 10 weeks in the Australian top five. Written by Hay, it is a sort of paranoid anthem: "Who can it be knocking at my door? ... It is the man come to take me away!" Hay says he "used to hate people knocking on my door, but I'm over that now. I've had it surgically removed."

"Down Under," a second single from "Business As Usual," unleashed a torrent of Aussie slang on the top-side world: A "fried-on combie" is a beat-up VW van, to "chunder" means to throw up.

Most rock groups now produce video versions of their songs and some, like Men At Work, seem more comfortable in front of a camera than onstage — the music is treated more like film music than filmed music. Their videos are full of whimsy and imagination, reminiscent of the Beatles' "Hard Day's Night." Both Hay and Ham have done some acting. Acting is becoming an essential rock instrument.

Rock managers now are often close friends, amateurs who grow into the profession and function like another instrumentalist. Russell Deppeler is listed on promotion material as playing "telephone and calculator," two instruments currently working double-time.

"Do you know what it means for a band to come out of nowhere and sell more than 200,000 records a week?" a CBS executive asks. "In this slump? It's outrageous! We're all dancing on our desk tops here."

Men At Work: Mannheim, West Germany, May 21; Würzburg, May 22; Pink Pop Festival, Maastricht, Holland, May 23; London (Lyceum), May 24-25.

Olson Wins PEN Award

WASHINGTON — Toby Olson's novel "Seaview" has won the 1982 \$5,000 PEN-Faulkner Award for best U.S. work of fiction.

Dow Jones Averages

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TRAVEL IN THE PHILIPPINES

SATURDAY-SUNDAY, MAY 21-22, 1983



Children at Batak, Palawan. An article on the island appears inside.

An Archipelago Marked By Islam, Catholicism But Asian to Its Roots

By Mark J. Kurlansky

MANILA — Beyond the geographical facts — the Philippines is a nation comprised of 7,107 islands of which only 2,773 have names and only about 1,000 have inhabitants, spread over 1,000 miles — this is a difficult nation to define. Converted to Islam by the Arabs, then mostly reconverted to Roman Catholicism by the Spanish, then converted to Coca-Cola by the Americans, occupied along the way by the English, the Dutch and the Japanese, the Philippines has layer upon layer of foreign cultures. Peel one away and you will find another underneath. The traveler is confused. At one instant he feels as though he were in Europe. But around the corner it seems to be Los Angeles.

But these are illusions. The reality is that behind all the expatriated packages, this is Southeast Asia. But it is a unique corner situated more than 600 miles from the Asian mainland. "We are an island people," said Felix Padilla, a Manila artist. "The Third World is a Western concept. ASEAN is an Asian idea. We are happy belonging to ourselves."

Philippines has absorbed most of the cultures that have marched through and forged their own identity. They will proudly tell you that Magellan did not discover the Philippines. He rediscovered it. Philippines had never lost it.

Out of a population of 44 million all but four million are Roman Catholic in the Spanish mold. But the average Filipino is more religious than the average Spaniard. The streets are packed in the evening as thousands go to church. Most homes and even automobiles have Catholic plaques or statues even if the same wall often has a magazine pin-up girl next to it.

The Moslem population, centered mainly in Mindanao, the Sulu Islands and southern Palawan, is more than 2 million. The remaining population is comprised of small ethnic groups still living tribal lives and often practicing animist religions.

The tribes in the mountains of northern Luzon are traditionally headhunters. Although this practice has died out, the Ifugao still practice the tattooing rights that were originally signs of success as a headhunter. Belying their fierce martial traditions, these people seem gentle and mild and are accustomed to contact with outsiders.

On the island of Mindanao, the tribes have a peaceful tradition and are known for their music and their writings in an ancient script on bamboo.

The Negritos are negroid pygmies who live a nomadic existence, hunting with bows and arrows, never building permanent lodging. They are found on many of the islands.

The tribes on Palawan are thought to be originally from Borneo. There was once a land bridge through these two islands connecting Luzon to the mainland.

While the northern tribes dress scantily in g-strings and bark cloth, southern tribes tend to have elaborate costumes. In Mindanao there are both Moslem and animist tribes and both are known for their crafts. These war-like people make beautiful swords and other weapons and graceful bronze from a lost wax process.

Many of the tribal groups are accessible to visitors although it often requires some trekking in difficult terrain. The most famous and, perhaps, most interesting tribe, the Tasaday, are protected from outside intruders to safeguard the purity of their stone-age culture. They were discovered in Mindanao in 1971 — 27 men, women and children in a primitive society without weapons or basic tools. Anthropologists suspect that there may be more such tribes in the interior of Mindanao.

The Philippines offers a great deal of the fascinating and the exotic. But it is also a troubled place and there is danger. The Ministry of Tourism is extremely reluctant to discuss this subject and random interviews with tourists showed that if you propose a trip to a dangerous region, the tourist offices may meet your plan with an icy stare or an awkward silence but you will not be warned of danger.

There are places that are too dangerous for tourism. The leftist New People's Army is fighting a guerrilla war against the government in northern Luzon. While the claim of local admirers that the entire Sierra Madre mountain chain is a guerrilla stronghold appears to be an exaggeration, there is fierce fighting in the Cordillera range of the mountains. The provinces of Abra, Kalinga, Apayao and Mountain Province are virtually war zones. The road from Bontok to Tabak, according to some sources, is closed to foreigners.

The situation is more dangerous in the south. Not only is the New People's Army increasingly active in Mindanao but a 400-year-old Moslem separatist war is raging under the leadership of the Moro National Liberation Front. The economic crisis spurred by this year's record drought will undoubtedly add to the flames. While the

New People's Army primarily attacks government troops the Moro Front is said to have been responsible for terrorist attacks and urban bombings. There have also been cases in Mindanao of kidnapping for ransom.

The interior of Mindanao has not been safe for some time, perhaps several centuries. But now cities such as Davao, Cagayan de Oro and Marawi have become extremely dangerous. Zamboanga, long a favorite destination of Europeans for its beauty and exotic aura, is also unsafe. Florio Mercene, public relations director for the Ministry of Tourism and one of its few outspoken officials, advises tourists on Zamboanga, "You go at your own risk."

For the moment the Philippines have lost a major tourist attraction. But Mindanao is only one of more than 7,000 islands, even if it is the second largest.

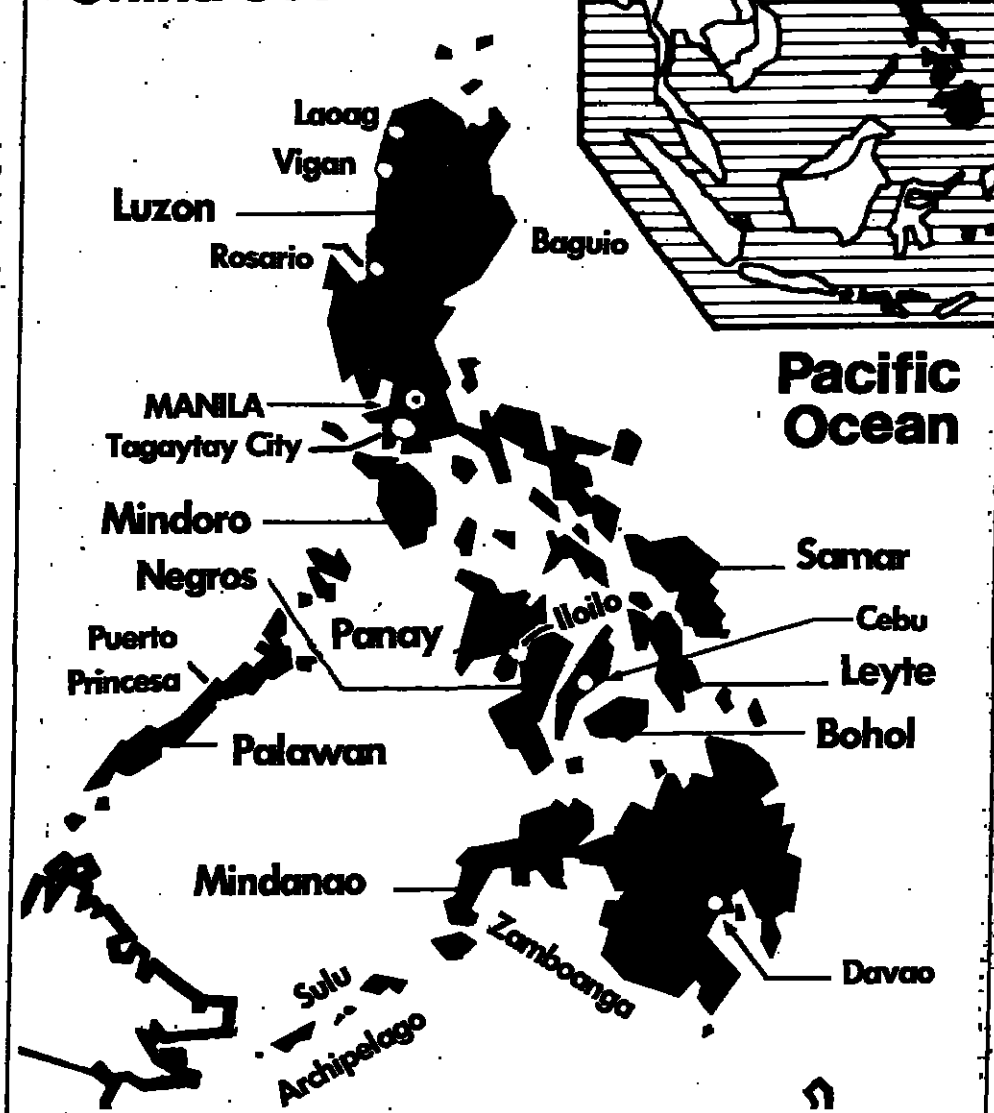
Despite their violent history Filipinos are gentle, friendly hosts. The people combine Oriental delicacy with Spanish humor and American openness. They love to have visitors. They will thank you for coming to their *barangay* (community). They also love having their photograph taken. If you approach Filipinos with a camera they will continue working so you can get the photograph. Then they will try other poses. Then they will run and get their relatives so they can also be photographed. When you leave they will smile and thank you.

There are many kinds of tourism possible in the Philippines, from the big-city atmosphere of Manila to remote, even uninhabited islands. There are historical, archeological and anthropological pursuits or scuba diving off coral reefs or lying on a white sand beach in a coconut grove doing absolutely nothing.

The following are some popular destinations:

- Tagaytay — 90 minutes south of Manila, high above sea level in Lake Taal is Taal volcano, which in turn has another lake inside of it.
- Pagsanjan — Otherwise quiet town near Manila that attracts many for its waterfalls and rapids.

South China Sea



• Cebu — The second largest city is becoming increasingly popular because of its nearby beaches and a slightly more relaxed atmosphere than Manila.

• Banaue — Perhaps the most famous sight in the Philippines are the rice terraces carved 2,000 years ago almost two miles up into the Cordilleras. They were made without metal tools by the Ifugao, who are still cultivating rice in them.

• Baguio — A favorite resort of Filipinos because its high altitude makes it the coolest place in Luzon.

• Bohol — Land of the Chocolate Hills, a region of a thousand moundlike, green-covered domes.

• Iloilo — Capital of Panay Island. An old historical town surrounded by good beaches.

• Mindoro — A favorite island of locals fleeing Manila and home of the Mangyan tribesmen famous for their musical traditions. Also known for the beauty of its inland mountains, coral beaches and coconut and seafood cuisine.

• Siogon — One of the most developed islands for tourism, not for escaping into the wilds but for the beach and casino.

The combination of many ethnic groups and a Spanish heritage have made festivals an important yearly cycle. They often have religious significance (Catholic, Moslem, animist or more often a combination) and usually involve colorful costumes, rituals and traditional foods, songs and celebrations. There are different dishes for various occasions but in general roast suckling pig with sweetened liver sauce, *lechón*, is the fiesta meal. In Balayan on June 24 there is even a parade of the *lechón* in honor of St. John the Baptist.

A Decade of Booming Tourism Leaves Nation With Infrastructure for Future

MANILA — One of the most attractive industries in a developing country such as the Philippines is tourism.

The demands for capital to develop an infrastructure are far more accessible than the technological and financial resources required for other forms of development. The money it brings in is not only an important foreign exchange earner but has an immediate ripple effect on the economy.

The more than \$344 million in receipts from tourism in the Philippines annually is estimated by the Ministry of Tourism to multiply 3.2 times as it interacts with the economy. The catch is that tourism is an unpredictable business and the Philippines have heavily invested in an economic sector that, like other key sectors, now is in a slump.

When tourism in the Philippines began to experience a boom 10 years ago, there was relatively little infrastructure. From 1973 to 1974, there was a 69-percent increase in the number of visitors. By 1975, there were not enough hotel rooms. By 1976, the Philippines were ready to handle the boom. That year 12 luxury hotels opened in Manila, along with the Philippine International Convention Center, which hosted an enormous joint International Monetary Fund and World Bank conference.

Since then the convention industry has grown to its present position of providing about half of the foreign exchange earnings from tourism.

Those earnings have been growing at a more or less steady rate. In convention-related activities alone, almost \$500 million was invested as of 1981 (mainly in hotels). There are now 13 five-star hotels in Manila and more are being built in the provinces.

Tourism is the fourth-largest industry in the country. But after a decade of growth, it is showing signs of serious weakening. While the receipts continue growing, the number of visitors has been declining since 1981.

The number of visitors steadily rose from 144,071 in 1970 until it broke the one million mark in 1980. So it came as a severe blow when this figure began declining the following year. Minister of Tourism Jose D. Asprillas took the news philosophically, saying that "it has shown us the volatile nature of the industry itself."

It has been particularly hard on the highly exposed hotel industry since it usually takes almost a decade for a luxury hotel to pay for itself. The occupancy rate in Metro Manila hotels averages 60.81 percent and is declining. Five-star hotel occupancy has declined to 65.29 percent, and lower categories are even harder hit. Four-star Manila hotels now average less than 50-percent occupancy.

Many reasons have been offered for this decline. One that frequently comes up is what is euphemistically referred to as "the image problem." This phrase encompasses a reputation for everything from political unrest, to human rights abuses, to crime, to prostitution.

The government of President Ferdinand Marcos has been badly hurt by this international reputation. They were particularly upset by a report from London-based Amnesty International alleging human rights violations that was published during the president's recent trip to Washington. The United States is the second-largest source of tourists, representing 18.5 percent of last year's total.

The government believes tourism can improve the Filipino image and has made a major effort. The Ministry of Tourism will not even estimate the size of its bureaucracy, which has grown rapidly in the last decade, nor its annual expenditure on promotion. One ministry source, who asked to remain anonymous, estimated that the ministry has 2,000 employees and spends \$1 million a year on promotion.

There are violent armed groups that oppose the government, and the ministry's public relations director, Florio Mercene, admits that the government interest makes tourism a tempting target. A Society of Travel Agents convention was canceled two years ago as a result of a bombing.

Some, such as Gerardo Isada, executive vice president of Tours Specialists, believe the importance of the political image is secondary. He points out that tourism was booming in the mid-1970s when the political image was very negative.

Possibly more damaging is the image of the Philippines as a land of prostitution and vice. The Japanese, who are the largest group of tourists in the Philippines, are particularly sensitive to this. Articles on "sex tours" for Japanese businessmen created a scandal in Japan.

There has been a notable decline (17.2 percent last year) in Japanese tourists. "The fact that they came here in hordes after World War II was in itself a marketing triumph," said Marciano Ragaza, marketing vice president of Staats, a private tour packager. "Now with the sex tour talks, we are back to where we started."

But in the ministry, Mr. Mercene reported that a new wave of Japanese family tourists was coming, "which is what we wanted in the first place." While Manila remains overwhelmingly the most visited destination in the Philippines, competition from the city of Cebu is being stimulated by this new wave of Japanese, many of whom are going directly to Cebu without a stop in Manila. (Continued on Following Page)

A New Lexicon of Exotic Tastes

Some words — *Langka*, *Mangosteen*, *Makapao*, *Sago*, *Chico*, *Camatires*, *Malugay*, *Lopo* — mean nothing until discovered in the context of a meal in the Philippines... Then the new tastes become unforgettable, but quickly enter the realm of *exotica* when the traveler returns to the West.

MANILA — Have you ever tried to imagine the experience of seeing and tasting your first apple? Shiny, deep red, somewhat indigestible peel, crisp tart meat with a hint of sweetness. This is the kind of eating adventure offered to most Westerners in the Philippines. The islands are rich in fruit and vegetables that are almost unknown to most other regions of the world.

The *langka*, a spiny melon-sized fruit that grows on trees and occasionally makes it to exotic markets in the West for prohibitive prices, has sweet juicy meat. The hard-shelled *mangosteen* has tender juicy white sections inside. *Makapao* look like small red peppers and taste like tart perfume apples. *Sago* is a small berry from a variety of palm. The pear-shaped *chico* has a grainy juicy flesh with the taste of honey. *Camatires* are tree pods that contain sweet white fruit with a vaguely cabbagey taste. *Malugay* is a vegetable that grows from a tree and resembles a green bean. Its leaves are also used in soup. *Lopo* is a branch-type seaweed eaten as a vegetable or salad. Banana flowers are also popular as a vegetable.

There are also more well-known tropical products such as mangoes, coconuts, papayas, bananas, pineapples, passion fruit and sugar apples. But these fruits have another dimension when tree-ripened in their native habitat. The meat of a young green coconut has the consistency of a flan. Mangoes are soft and tender. *Kalamansi*, the ubiquitous native lime, is the size of a cherry and used with fish or squeezed for juice.

There are giant rock lobsters and 8-inch prawns and endless varieties of crabs, the most seasonal of which is the coconut crab or *cavacha*. This large U-shaped crustacean has a great quantity of juicy firm flesh. The sea cucumber or *balatan* is a rare prized delicacy found in a few spots such as Snake Island, off Palawan.

The numerous bivalves include clams, mussels and the small sweet oysters that cling to mangrove roots. One of the most prized fish is a loose-grained type of grouper called *lapu-lapu*. *Bangus* or milk fish is a sweet fine-grained fish, farmed in fresh water and unique to the Philippines. Its export is forbidden.

Filipinos eat three large meals daily and snacks called *merienda* in between, but the food is light and delicately seasoned. The center of breakfast, lunch and dinner is rice. Around it are served a meat dish, a vegetable dish, a fish dish and soup. The meal is al-

most always one course and the Filipinos alternate bites from each dish with rice.

The main function of the soup is to moisten the rice. It is usually a clear broth with some vegetables made from prawns, clams, beef or chicken.

Vegetables, whether in the most elegant restaurant or an impoverished peasant hut, are cooked perfectly with a light touch that preserves the color and freshness of the produce. This is because Filipinos, perhaps with Chinese influence, acquired the habit, long before the French began writing of *nouvelle cuisine*, that fresh products should be seasoned and cooked in a minimal way that does not mask their fresh qualities.

Many dishes are made from uncooked meat, liver, fish or oysters marinated in sugar cane vinegar. One of the best places to sample authentic Filipino marinated dishes is the Slaughterhouse in Baguio. This is a sort of Filipino central market where a series of small restaurants are centered around a big central wholesale slaughter house — much like the scene around Les Halles when that Paris district was the nation's central market. Among the specialties to be found here is *papay* or green milk. This sauce is squeezed from fresh grasses found in the stomach of newly slaughtered cattle. Roast pork is served with a dark sauce made from fresh blood marinated in sugar cane vinegar.

A specialty throughout the country is *lechón*, crisp roasted suckling pig with a sweet sauce made from its liver. Another national dish is *adobo*, chicken or pork in vinegar and sautéed in soy sauce. *Tapa* is dried spiced meat.

Kare-kare is a popular dish that illustrates the Filipino taste for mixing meat and fish. It is tripe and beef cooked in a peanut sauce. To this heavy well-cooked stew, the freshness of crisp lightly cooked vegetables and sometimes fruit, such as papaya, is added. This is eaten with *bagoong*, a pungent paste made from fermenting salted fish or shrimp in carbon jars.

Bagoong is the Filipino answer to the Ketchup vice. The masses use it on everything from stews to vegetables. *Patis*, a condiment that is considered more sophisticated, is the liquid produced from salting fish in water for about one month.

Duck eggs are also left in brine until the egg is permeated by the solution. A *bahut* is an unwhipped hard-boiled duck egg sold by street vendors for about 20 cents. Like many Filipino delicacies, it is rumored to be an aphrodisiac. Crack the shell, sip the liquid, (Continued on Following Page)

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There are perhaps a dozen incredible places you must see in the Orient. One of them is a hotel.

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TRAVEL IN THE PHILIPPINES

Manila's 'Americanization': Visible, but Paper-Thin

Some locals call themselves Manila-ers and others Manilanos. Scratch the American surface and the deep Catholic influence of three centuries of Spanish colonial rule is evident. But it is an Asian city.

MANILA — This may be the only city outside the United States where you will see "I Love Jersey City" bumper stickers.

The American influence, seen throughout the Philippines, seems most evident in this crowded metropolitan area of four cities, 13 districts and more than 7 million people known.

MacDonald's has opened. Dunkin' Donuts is here. The Araneta group that owns the sports coliseum is bringing in Burger King. Araneta Coliseum, at the hub of the city's leisure activity, brings rock concerts, basketball games and boxing matches to enthusiastic crowds. Manila is what promoters call a good fight town, having produced a number of world champions and hosted such spectacles as the Muhammad Ali vs. Joe Frazier rematch.

The art scene also shows American influence. Even the Metropolitan Theater, which performs in the native Tagalog language, shows a predilection for Broadway musicals.

But the Americanization of Ma-

nila is a paper-thin layer, misleadingly accentuated by the fact that most of the pre-American Spanish architecture was destroyed in World War II. Maximo Soliven, editor/publisher of Manila Magazine, lays claim to the now popular Filipino explanation, "We spent 300 years in a Spanish convent and 50 years in Hollywood."

Some locals call themselves Manila-ers and others Manilanos. Scratch the American surface and the deep Catholic influence of three centuries of Spanish colonial rule is evident. Beyond that, this is an Asian city.

It bustles like an Asian city. The traffic is an almost impenetrable free-for-all of cars, horse-drawn carriages called *Kalesas*, the gaudy public transport jeeps called *jeeps* and motorcycles that take passengers in a side car.

Jeeps were originally converted U.S. Army jeeps, a World War II holdover like the children's habit of calling all Westerners "Joe." Today most Jeeps are made in Manila at the Sarao plant, where used Japanese engines are fitted

into surprisingly hand-made bodies carefully hand-painted with stripes and swirls and topped with chrome rocking horses, mirrors and bric-a-brac.

For about six cents a ride, jeeps are the transport of the masses. The two 5-foot benches in the back may have 15 people in them. Disco music explodes from an extensive collection of cassettes that cover the dashboard in stacks. The final destination is marked on the side. Slap the roof when you want to get off. If you get lost, follow the advice of many Manila mothers: Get a jeepney to the downtown center, Quiapo, where almost all jeepneys go, and then find another with your destination marked on it. In Manila all roads lead to Quiapo, the densely packed district of narrow streets where the central market is located.

Manila drivers pass on any side of the street. The right-of-way is a question of courage and determination. They are beginning to put up traffic signs but drivers are not being. "In Manila," explained one taxi driver, "if you

drive you are the king of yourself."

On Wednesday evening traffic comes almost to a standstill as 20,000 to 30,000 devotees crowd the Bacolor Church in the direction of the presidential palace, and on Fridays downtown becomes the center of a grid lock as thousands go to Quiapo Church to walk on their knees toward a black Mexican statue, the black Nazarene, which is supposed to have magical powers. One lawyer even claimed it got him through his bar exam.

There is street crime in most neighborhoods. There are muggers; slashers who extract a wallet from a back pocket by the skillful application of a concealed blade, and snatchers who can grab a watch off the arm of a moving driver.

And if children run up to you and say, "Hey, Joe, give me a peso," carefully guard your pockets.



FALLS NEAR MANILA — Pagsanjan Falls, at Laguna City, provides visitors to Manila with a daytrip filled with swimming, fishing and hunting. And if travelers are adventurous enough, they can also shoot the rapids there.

Palawan: Slender Edge Of the Republic Remains Paradise for Adventurous

PUERTO PRINCESA, Palawan — Its reputation precedes it. "The end of the earth" was the description offered by a French travel promoter. "The last frontier," said a Swedish scuba diver who lives on the island. Filipinos repeatedly ask, "Why do you want to go to Palawan?"

Of the 11 larger islands that comprise 98 percent of the land mass of the Philippines archipelago, Palawan, a long slender strip far to the west of the others, has always been the forgotten island. There is talk in Manila of developing the island for tourism. There also appears to be some offshore oil. But for the moment, Palawan offers the appeal of virgin territory.

Beyond the center of the capital city, Puerto Princesa, there are no paved roads. There is a first-class hotel in Puerto Princesa and some small facilities in the more southern town of Brooke's Point. Aside from this there are only mountainous dirt roads, tropical forests, cool vine-banked mountain rivers, deserted white-sand beaches in coconut groves and the clearings of mangrove swamps, tiny coral-encircled, green offshore islands, tribal encampments and fishing villages.

Most of the buildings on the island are nipa huts. Nipa is a variety of palm, the leaves of which are shingled for roofing and woven for walls. Forest people earn their living by prefabricating these leaf-constructed materials. The huts are built on story-high mangrove posts. Although most of the people on the island are Christian, the high-vaulted roof style of the Moslems in the southern part of the island has become widespread because it is cooler than the low-roofed Christian architecture. Sometimes crosses are painted on these houses to clarify the religion of the inhabitants.

The island is covered with mango, banana, coconut and cashew trees. There are spectacular flowers — wild orchids, the purple flowering banana tree whose leaves are believed to cure kidney ailments, white and pink flowering palawan cherries and magenta- and peach-colored bougainvillea.

Monkeys swing through the tree-top vines. A large lizard, called a

water monitor, preys on chickens. There are wild chickens, pheasant and quail although the locals regard quail as being too small to bother eating.

There are also wild boars, which the indigenous tribes still hunt with spears or the *supukan*, a six-foot long blowtube through which a small wooden arrow is shot. This can drop a wild boar at 15 feet with the aid of deadly *daga* poison from a local tree.

There are 81 ethnic groups and cultures on the island, some of them animist and a number greatly influenced by nearby Borneo. Most of the tribes and the lowlanders have the common language of Cuyayan, a dialect of Tagalog.

Some of the southern tribes are highly skilled craftsmen, particularly carvers and basket makers. Some of the earliest known Filipino carvings, boat-shaped coffins, were found on Palawan.

The most accessible ethnic group, the Batak, are a nomadic group that remains animist and ventures into the outer areas of Puerto Princesa to trade. They are not great craftsmen and often equip themselves with objects traded from other tribes. They hunt mainly with spears and they gather *abacaya*, a tree resin valued in the industrial world for numerous tasks including the making of space suits.

In the rainy season they build nipa huts on the high ground but in the hot months of April and May they hole up in swampy camps by cool river beds. They are somewhat timid, especially the men, and cannot be approached too aggressively but they usually will not object to a small visit to their camp that can be found most of the time about a two-hour jeep ride and another two-hour hike from the center of Puerto Princesa.

The Batak only have 30 families and tourism could be a great threat to their culture. Already, a few German tee-shirts have been added to their traditional dress of cotton wrap-around skirts for women and bark loin cloths for men. This is the result of a Western German tourist operator who offers camping excursions to visit the Batak.

Tourism Growth Leaves an Infrastructure

(Continued from Preceding Page) beaches. There are three five-star hotels in the city. Tagaytay, near the beautiful volcano in Lake Taal, and the rapids of Pagsanjan Falls both in the Manila region, are still

among the leading destinations. Baguio in the cool mountains north of Manila remains the greatest attraction away from Manila.

The government is working with the private sector to develop new tourist areas. President Marcos' home province of Ilocos Norte has been the object of a major effort. The airport in Laoag is being expanded to receive international traffic from nearby centers such as Taiwan, and a 125-room five-star hotel, a casino and a sports complex will soon open. There is some talk in Manila of creating a tax-free zone in Laoag to compete with Hong Kong. There is also some interest in developing new tourist destinations such as remote Palawan.

"Think of the potential when other places are developed as Manila," Mr. Isada said enthusiastically. After reflection, he added, "Development doesn't mean that you have to turn every jungle into a maze of concrete — just provide a good place to stay."

The feeling is strong in the trade that a major obstacle is the state of the world economy and that as long as this crisis continues, there can be no growth in long-haul tourism such as Americans and Europeans. Thus, they will be focusing on the regional market, which will mean further dependence on the Japanese. Until recently, the talk had been trying to diversify and depend less on the Japanese, who have been representing almost 25 percent of the market.

U.S. airlines have heated up the competition in the Southeast Asia region by offering cheap flights to Hawaii that have been luring away the Australian trade.

One of the still untapped potentials are the estimated 500,000 Filipinos who live abroad. "It's a very good market," said Ildefonso Cobarrubias, president of the Hotel and Restaurant Association of the Philippines. Many have not been back for years and are now being enticed with discounts. The University of the Philippines has launched a campaign to get alumni abroad to return this year for the university's diamond jubilee.

Shopping: Good Prices on Rare Items; Buyer Should Be Inquisitive, Cautious

MANILA — Shopping in the Philippines offers good prices on items that in many cases cannot be found elsewhere.

Foremost is the Filipino craft tradition in wood carving, pottery, weaving and basket-making. These items are produced by tribal ethnic groups or by small cottage industries in the provinces. Hand-woven Ilocanos cloth items can be sold for \$15 apiece in Manila because Ilocanos women do the work for 36 cents each. This is also why it is much cheaper to buy the cloth in Ilocos or to buy any craft in the province where it is made. The Yankans of Mindanao weave intricately designed cloth. Embroidered cloth napkins and tablecloths to shirts blouses and traditional *barongs* of woven pineapple fiber or banana fiber are sold inexpensively everywhere.

Pottery is made by artisans and in small "factory" workshops, either in traditional designs or as creative art objects. Baskets are woven by most of the ethnic groups in a wide variety of often very finely crafted pieces with elaborate woven designs. Many excellent pieces are sold for from \$1 to \$3.

Woven mats to be used as rugs or wall hangings are another traditional craft. The *abaca* mats of Mindanao with woven and tie-dyed patterns are particularly beautiful. Everything from windows to wind chimes, plates to jewelry, are made from shells. The Philippines is also the paradise for shell collectors, and stores sell everything from a 40-cent paper nautilus to rare specimens costing as much as \$1,000. There are good shell shops in Cebu and Zamboanga and some in Manila.

The shops in Manila's Chinatown specialize in gold jewelry starting with fine chain bracelets for about \$18. Bargains are available in unset gems in the Moslem quarter but it would pay to know your gems first.

There are a wide variety of musical instruments for sale, including guitars of mediocre quality for less than \$50, ukuleles, harps and a type of local ukulele made from coconut shells. There are also many interestingly decorated ethnic instruments, such as a flute played through the nose by the tribes of northern Luzon. The *kulintang* is a type of xylophone from Mindanao. In the Visayas, a clarinet-type instrument called a *lantoy* is played. Moslems play a flute with a bamboo leaf bell at one end called a *sabunay*. The *bontoc* play a bamboo violin.

Vigan is a good place to look for antique furniture from the colonial period, such as delicately carved *campes* beds. *Gallineros* are benches with wooden cages underneath, which were either used for keeping fighting cocks or for temporarily disposing of poultry brought by peasants as payment to landlords. *Ambarios* are low cupboards with a Chinese-influenced design used for storing

sheets and mosquito nets. There is also furniture with bone or mother-of-pearl inlay.

Santas have become one of the most popular collector's items. The forerunner of these were animist figurines called *anitos*. But when the Spanish came they converted this folk art into the carving of wooden or ivory figurines of saints. At the same time they destroyed every *anito* they could find. There are two general classes of *santas*, formal, intended for churches, and informal, for home decor. Many of the *santas* were made of *malaya*, a weather-resistant hardwood.

Today, small *santas* sell for between \$30 and \$150, largely depending on their condition. There are also many reproductions, some of which are presented as originals. But the antique dealers in the Makati section of Manila are fairly reputable. Manila also hosts two large antique shows, in February and in October.

There is a great deal of quality antique Chinese porcelain available in the Philippines. Some of the intact jars that have been found are rare because only shards or repaired pieces of the kind remain in China. In many cases they are work that was made exclusively for the Philippines trade. Trade porcelain is generally considered of lesser workmanship but rare jars in perfect condition are always of value to collectors. These jars were highly prized in the last 900 years in the Philippines as *hazard* jars, and archeologists continue to find caches of them spanning four periods in ancient burial sites.

There are numerous shops in the Ermita section of Manila, especially on A. Mabini Street, specializing in Chinese porcelain. Three such specialists of good reputation are Terry's, V & M and Lika. Valuable antiques should be bought from licensed dealers who have the stamp of the national museum on their items.

By Western standards Filipino galleries sell contemporary art at affordable prices. Simple tourist paintings are also sold inexpensively on A. Mabini Street in Manila. But there are numerous Manila galleries that feature serious contemporary drawing, painting, sculpture and ceramics from five to several hundred dollars. Filipino artists are represented in most contemporary styles including abstract, figurative, neo-impressionist and realist.

Two of the leading galleries are Sinig Kamalitig, 2160 Taft Avenue, Pasay (Manila) and Luz gallery, 448 Epifanio de los Santos Avenue, Makati (Manila). Sinig Kamalitig has a wide range of mostly younger artists. The artists shown at Luz are more established and always abstract.

While guidebooks say you can find anything at the right price in Manila it is generally easier to find quality crafts at good prices where they are made. Provincial markets such as the intriguing labyrinth of Baguio's central market are good bets.

A New Lexicon of Exotic Food Tastes

(Continued from Preceding Page) then eat the embryo. One Filipino, aware of Western sensibilities, offered that the secret was not to look at the embryo while eating it.

But the real secret is a little coarse grained salt to bring out the duck flavor in the egg.

Fish is sometimes dried in the sun before cooking. Sometimes it is poached. Often it is wrapped in banana leaves and baked or grilled. The different provinces have their own specialties. In Northern Luzon cooks are fond of marinating in sugar cane vinegar. Other islands use palm vinegar. In Southern Luzon and Mindoro food is frequently cooked in coconut milk. *Isinak na alimayay* is an *alimayay* crab cooked in coconut milk, wrapped in banana leaves.

An excellent version of this and numerous other dishes can be found in Manila at Galing-Galing, a restaurant with an attractive Mindanao decor and a wide variety of Filipino specialties — even if a little Westernized. It is owned by a Filipino woman who also owns a

French restaurant in Manila and Filipino restaurant in Paris.

Leo's, on Roxas Boulevard, in Manila is one of several restaurants with a large assortment of seafood on display. You pick your fish and tell them how you want it cooked. This style of service, called *surfero*, is popular in all the islands.

Filipinos generally drink beer with their food but there are also local drinks in every region including fresh coconut milk. In the south a dark palm wine called *nipa* is drunk. In Batangas, they drink *lambanog*, an alcohol made from nipa sap. In northern Luzon, a dark sour wine, *basi*, is made from sugar cane. (The Spanish monopoly on *basi* production led to an anti-colonial uprising in Ilocos in the 19th century.)

Near Baguio a refreshing fizzy rice wine called *Tapay* is made. *Bayan*, a rice alcohol, is popular in Ifugos. These drinks are not made commercially but can often be found in markets sold in used San Miguel beer bottles.

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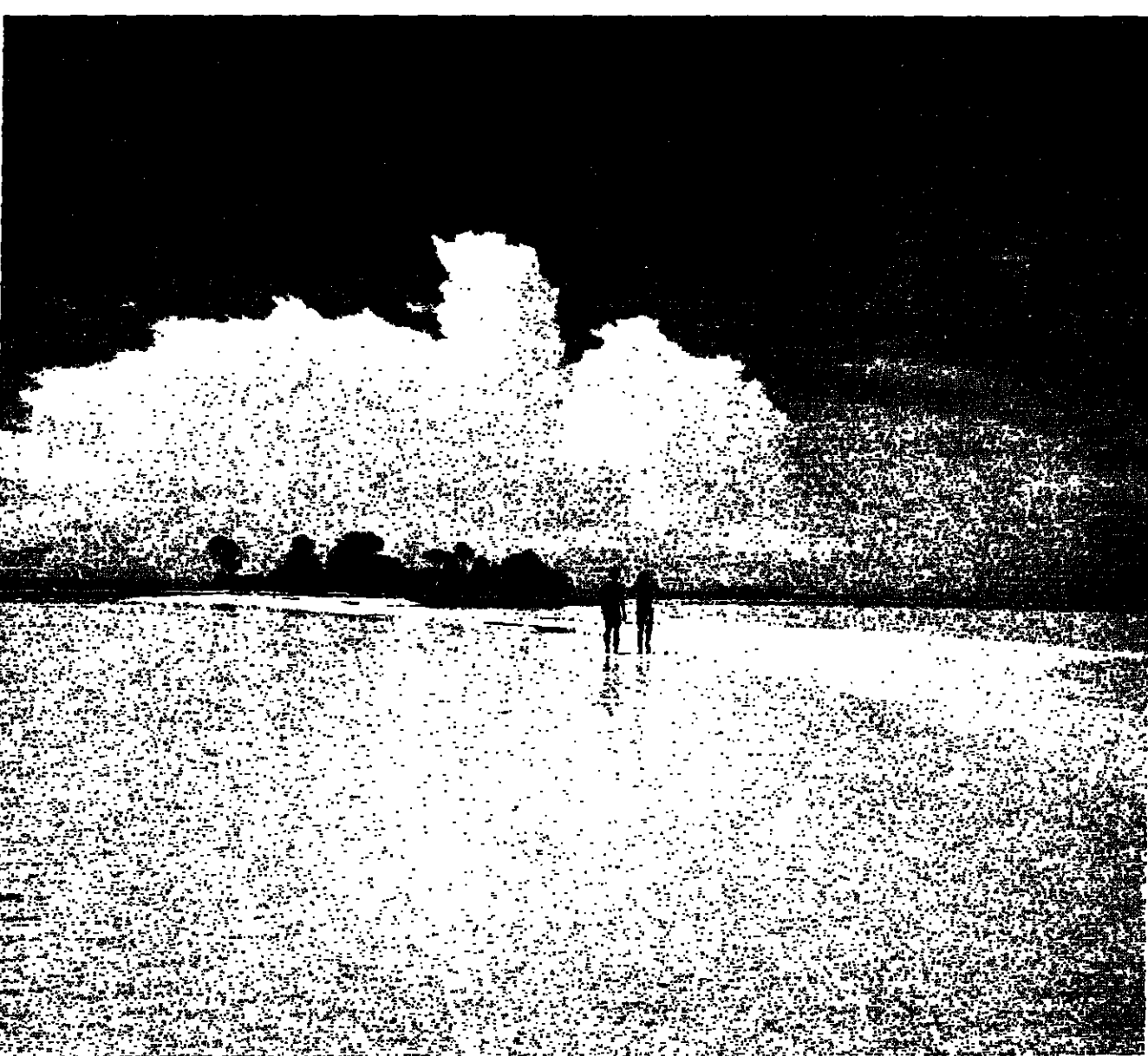
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TRAVEL IN THE PHILIPPINES

Ilocos: A Colorful Focal Point in Nation's History

VIGAN — No region is more central to Philippine history and culture than Ilocos.

The Ilocanos are an old people of Malay stock who became a focal point of Spanish colonization and the resistance to Spanish oppression. Later, the last decisive battle for the Philippines in World War II was fought here. President Ferdinand Marcos, many of his key ministers and some of his fiercest opponents as well as supporters are Ilocanos.

Today, the region is divided into seven provinces mostly in a narrow strip of northern Luzon between the warm South China Sea and the high rugged Cordillera mountains. From Manila, it can be reached along one of the country's best beaches — uncrowded (even during summer), with white sand and coconut groves. The cultural center of the region is Ilocos Sur and its provincial capital is Vigan.

Founded by the Spanish in 1572, it, along with Cebu and Manila, was considered one of the three principal cities. Because it failed to maintain this standing, its colonial character is better preserved than

in its two sister cities. The colony was administered by the viceroy of Mexico, and in Vigan this subtle Mexican influence becomes pronounced.

In spite of the dusty crumbling ambience of the city, it has some of the best Spanish colonial architecture left in the Philippines. There are entire blocks of old Spanish houses with high ceilings, hardwood floors, verandas and tile roofs. On the street level in many of these houses are antique stores packed with colonial furniture.

The two best hotels in town are the Cordillera Inn in an antique building on M. Crisologo Street in the heart of the old quarter and the Vigan Hotel. The Vigan Hotel is an Ilocano experience in itself. It is a sprawling and somewhat dilapidated Spanish building with a veranda restaurant of typical Filipino fare where the locals dine while a woman batters out tunes on an old and hopelessly out-of-tune harpsichord. Ask for the "antique room," a dreary, ant-infested cell but with air conditioning and a giant and very comfortable carved, lace-canopied four-poster bed.

The principal means of transportation in the town are horse-drawn buggies, some of which look at least a century old, and motorcycloes with sidecars.

The province is poor. The average annual income is \$210. According to a 1970 census, only 4.5 percent of the homes are lighted by electricity. The principal activity is farming tobacco, rice, corn and coconuts. Tobacco — both Virginian and native — is the main crop. To get more money from their harvest the small farmers cure the leaves themselves in straw-and-clay smoke houses by the side of their homes.

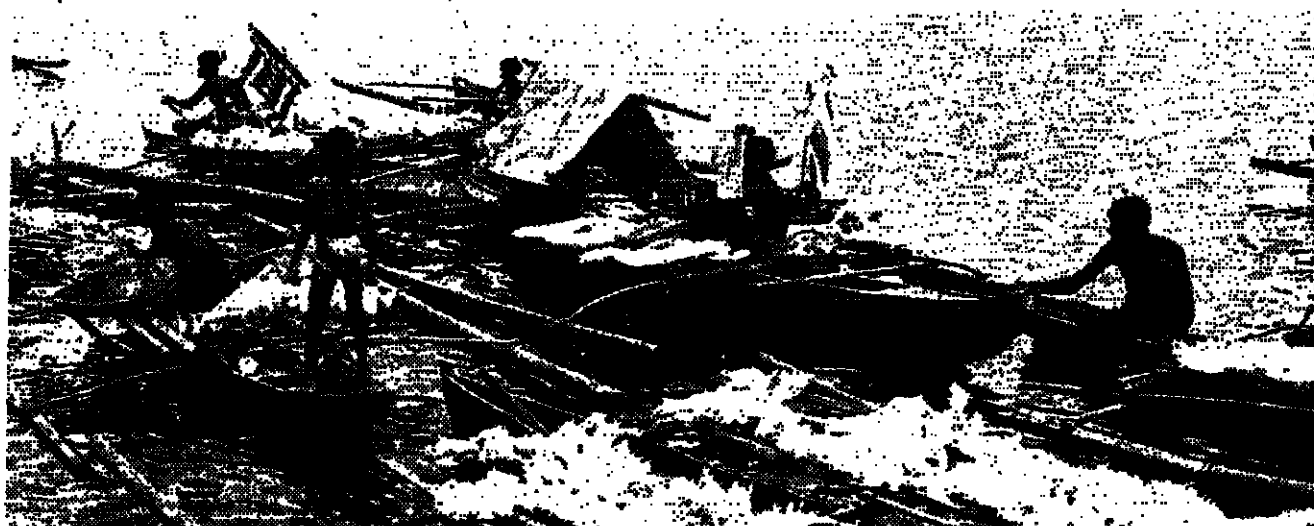
The typical homes are on stilts, tobacco leaves are often hung for drying underneath. They have bamboo-slat or palm-leaf walls and roof. The more affluent homes have wooden frames and windows made with small panes of capiz shell.

When it is not tobacco season the people grow fruit and vegetables, the variety of which can be seen in Vigan's central market where the women smoke hand-rolled cigars.

The Ilocanos are a modern and not a tribal people. But they have preserved a distinct culture. They have their own popular music, a vaguely hispanic ballad form. They have also kept their traditional crafts, which are now thriving cottage industries. Weaving is the most important of these. The white-striped cloth woven on a hand loom by women in four- or five-loom shops is sold all over the Philippines and is an important export. The Spanish, who used to fit their ships with sails of Ilocano cloth, limited its export because they feared it would be more popular than the product of Spanish weavers.

Pottery making also remains. There is a "factory" outside of Vigan where clay from the area is fashioned into large jars on a foot-operated potter's wheel.

The land has a natural beauty, with the green Cordilleras for a constant backdrop to the flat open fields where the long-horned carabao pull the ploughs, haul wagons and sleds and give farmers rides to shade in midday heat.



SEA GYPSIES OF MINDANAO — The Badjao are among the ethnic tribal groups of southwestern Mindanao

Island. They live on boat houses in the coastal waters of Zamboanga, Jolo and Tawi-Tawi and are expert divers.

Transportation: Accessible From Outside, Easy Inside

MANILA — For a country consisting of thousands of islands, somewhat off the planet's major travel routes with a tourist infrastructure that for the most part did not exist a decade ago, the Philippines is neither difficult to reach nor to travel in.

In addition to Philippine Airlines (PAL), which serves major centers throughout the world, many of the leading international airlines have regular flights to Manila. However, no one has established a truly bargain service and the short hop from Hong Kong to Manila adds about \$300 round trip for regular fare.

Once in Manila numerous travel possibilities exist from a first-class flight to the most third-class travel imaginable. For those without a lot of time or enthusiasm for the alluring adventure of the open road PAL offers regular service to all important provincial centers at very affordable prices. More obscure centers are serviced by Philippine Aerotransport, or, in the south, Air Mindanao, which also flies from Zamboanga to Davao.

From Manila, PAL offers seven flights daily to Cebu, two flights daily to secondary centers such as Baguio or Iloilo and at least daily flights to other cities. Flying from one city to another within the country can be time-consuming because Cebu and Manila (and with in Mindanao, Davao and Zamboanga) are the only cities with full schedules of destinations so the traveler usually has to fly back a distance to one of these centers to catch a flight to another nearby province. Security procedures for which a minor "security tax" is included in the price of the ticket, such as baggage inspection, are sometimes pursued rigorously and

so this is one country where it is wise to arrive at check-in time.

A new international airport will soon open in Laoag in the far north, a location that is far from a hub of activity but has the advantage of being President Marcos' home province. Cars with and without drivers can be rented in Manila for a wide range of prices depending on how reputable an outfit you wish to deal with, who you know and how good you are at bargaining. Some knowledge of the country is needed, especially if you leave the main highway that runs north-south in Luzon and around part of the coastline of some of the other major islands. Careful planning and authoritative advice, which is not always available, are needed to avoid finding yourself either in physical danger or in a place where there is suddenly no road.

Filipinos are a largely rural people who have been forced to the major centers by economic circumstances. So public transportation is crowded with locals visiting their families and is an excellent way to see something of the country and its people. But it requires time and stamina. There are a few train lines, mostly in Luzon. The equipment is old and it is the slowest means of transportation.

Buses are faster and more numerous than trains. Jeeps, the garishly decorated 8-seat jeeps that usually hold 15, work in tandem with buses. Often you will have to change several times to reach your destination. The connection points are sometimes disconnectedly quiet cross roads in the forest.

The buses are crowded with more people than could conceivably fit in a bus. The stops are frequent, often for vendors to squeeze

and sell snacks. Like many things here buses run behind schedule. Five or more hours with babies crying and tropical heat is not every traveler's idea of a vacation. But many who do it, usually only once, remember it as one of their most intriguing experiences in the Philippines.

There are numerous ship companies with passenger service between the islands. The major lines, Williams Lines, Sweet Lines and Negros Navigation Company are in Manila but there are also companies out of Cebu. There are three classes but generally anything less than first class is very crowded and primitive.

Transportation information can be obtained from the tourist offices of the Ministry of Tourism but a far better source of information, on almost anything, is a good Manila taxi driver.

A hotel can range in price from \$90 a night at the Manila Hotel to \$7 at a pension. For most people five-, four- and three-star hotels are advisable. There are 13 five-star hotels in the Philippines. Generally, prices for hotels as well as most other things are higher in Manila, although Cebu and Baguio are almost up to Manila prices. An average deluxe five-star room in Manila cost about \$55 to \$60 and is of high standards but below this level quality rapidly declines.

November to March is the best season for Philippine weather. It is cooler and not rainy. July to October is a rainy typhoon season, with few festivals or events. April and May is the summer (including school vacations). These are very hot months. But there is no rain, and off-season prices can make a stay in the Philippine summer a bargain.

Anti-malaria pills are recommended for the remote islands, especially Palawan. Fansidar is currently considered the surest against Asian mosquitoes. No vaccinations are required except yellow fever if you are coming from an infected zone. A final tip: when you are ready to leave, set aside 50 pesos in Philippine money to pay a "departure fee" at the airport.

Cockfighting: A National Pastime for Rich and Poor

ROSARIO, Luzon — Throughout the Philippines in some of the poorest barrios, the most pampered residents are roosters — fighting cocks. There is no more popular pastime in the country.

Almost every corner of any size has at least one cockpit. Big cities have several. Both rich and poor people buy or raise these birds, which are seen as much an investment as a hobby. A good cock can cost from \$50 to more than \$1,000. The cocks are often plumed in rich shades of copper, purple, blue, green, beige or black. One of the most respected breeds, Island Born, have a deep rust coat and a flamboyant blue-black tail. The most prized cocks are imported from Texas. "If cockfighting is illegal in America," asked one Filipino owner, "why do they raise such good ones?"

The cocks are usually purchased when six weeks old. For the next year and a half they live the good life. They are kept on a diet of dog food and vitamins. They train to fight with gloves on their spurs. On Sundays, their cage is placed in the sun where each bird is carefully massaged with the palm of the hand. But the cocks must show promise in their sparring matches to continue this life. One poor owner from Vigan said that he fought his birds as soon as they

were ready because he could not afford the upkeep.

The fights usually take place on Sundays. They begin at about 11:00 a.m. and continue until evening. The cockpit is a roofed room with tightly fitted bleachers rising up on all four sides of a square dirt platform. In Rosario about 1,500 people crowd into the small hot amphitheater. They are all men. Sometimes, there are special star contestants called derbies in which prized cocks, mainly of the Texas strain, compete. For these events the well-dressed wives of the affluent owners attend.

But for the most part it is a man's domain, and the seriousness with which the men take this is indicated by the sign in front asking them to leave their firearms outside.

Anyone who has a bird he wishes to fight can enter. Spectators pay 50 cents. The owners pace around by the bleachers fluffing the ruffs and teasing out the tail feathers of their prize combatants and choosing up matches with owners of similar-sized birds.

The real action is the betting. Each owner makes a bet. The one with the high bet is called the *llamado*, or in Tagalog, *mayroon*. The one with the lower bet is called *wala*. The referee calls for bets for the *wala* or the *llamado*, always

trying to make the two even. As he calls out hundreds of men shout back and indicate their bet with their fingers until the entire room is a fury of shouting and arm-waving, like a key moment at a stock exchange.

Adding to this are the outside bettors, men in the gallery who bet with each other. A bet can be as low as \$2 or in the thousands. These who are particularly confident about a bird will take a *sompo gamo* bet, which means they will pay \$10 on every nine. There are also lodies, right to 10 bets, and various other type of odds that are offered by shouting the word.

The extraordinary thing is that no money changes hands, nothing is written down and yet, somehow there is no dispute about who pays who and how much when the fight is over.

In the midst of this bedlam aficionados are appraising the birds by their breed, the form of their beak and their record. It is said that a seven-time winner will die in his cage, i.e. undefeated.

The owner uses a second cock to make the combatant angry by pecking at him in the head or the side — whatever seems necessary to put the fighter in a fury. Then, when the betting is settled, the sharp steel dagger, fastened to the left spur, is unsheathed.

When they fight, cocks are extremely swift and agile in the air, trying to get above the other and spike his back. Sometimes, they will somersault over the opponent's back, or flip the opponent from underneath like a wrestler.

Good fights last only a few minutes. The cocks have an instinct to spike near the heart. But fights can drag on for 20 minutes because as long as the birds can stand the referee will continue to pick them up and reset them. This leads to disputes between the owners because the one with the losing cock wants them to continually reset and the one with the apparent winner does not want any interference. Sometimes, the fight reduces itself to two exhausted chickens weakly pecking at each other.

In any event the real sport is in the money. At a derby there will be people winning or losing \$30,000.

This special report on travel in the Philippines was written by MARK J. KURLANSKY, a journalist based in Paris who contributes frequently to International Herald Tribune special reports.

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SATURDAY, MAY 21-22, 1983

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ECONOMIC SCENE

By CLYDE H. FARNSWORTH

World Holdings of Dollars Mask Economic Warning Signs for U.S.

WASHINGTON — One lends only to the rich, or so a popular saying goes in France. The implicit irony is seen by many to apply to an increasingly contested privilege that the United States has under the present monetary system.

It is what President François Mitterrand of France was talking about when he complained Tuesday in Paris that "it isn't normal that we should pay for the American budgetary deficit." The French leader served notice that he would take this up with President Ronald Reagan next week at the seven-country economic summit meeting in Williamsburg, Virginia.

The dollar, the leading world currency, is especially sought after these days, both because the United States represents a safe haven in a stormy world and because U.S. interest rates remain sky-high.

Foreign capital is pumped into U.S. Treasury bills and other dollar investments. This means, in effect, that the richest country is financing both its budget deficit and its balance-of-payments deficit with the money of other countries.

Capital flows into the United States averaged \$33 billion a year between 1979 and 1982, and in 1982 totaled \$53 billion as parts of the rest of the world faced liquidity and insolvency.

To Robert Triffin, the European-based economist, professor emeritus at Yale and now professor at the University of Louvain in Belgium, this growth of indebtedness "is undesirable for one of the richest and most capitalized countries of the world," and is "in the end as disastrous and unacceptable to the U.S. as to the rest of the world."

On top of the capital flows are the accumulations of dollars in the central bank reserves of other countries, forcing the United States from normal balance-of-payments constraints. Foreign exchange reserves, mostly held in dollars, tripled between 1969 and 1972 and had just about tripled again, to \$257 billion, by the end of 1982.

When other countries' competitiveness wanes and they begin running deficits in their international accounts, they immediately lose reserves, forcing major choices upon the government about the value of the currency and the general economic performance.

Dollar Eases the Choices

Since other countries, at least for the present, are perfectly content to hold dollars, the United States does not face the same choices. It can run a large trading deficit without losing reserves precisely because the dollars the Federal Reserve prints are the main reserves in the world monetary system.

Interdependence means something very different in Europe than in the U.S., principally because balance-of-payments constraints must be taken into account in Europe, but not in the U.S., Martin S. Feldstein, chairman of the Council of Economic Advisors, told Mr. Reagan recently.

The United States last year recorded a \$40-billion trading deficit, and Commerce Secretary Malcolm Baldrige predicted recently that the deficit would top \$60 billion in 1983. Yet, the dollar remains overvalued — by many estimates, by 20 to 25 percent over other mainstream currencies.

Just about everyone agrees that the magnitude of future U.S. budget deficits, raising fears of future inflation, is keeping interest rates high, which are keeping the dollar high. Yet a deficit that is easily financed by foreign capital inflows again removes one of the constraints other countries face when they spend above their means.

The rest of the world was happy to give the United States these privileges in the earlier postwar era when there was much more unity of purpose and everyone was benefiting economically.

Since the late 1960s, however, things have been different. First came the explosion of world inflation, for which U.S. abuses of the system through creation of excess dollars played a large measure, then the stagflation slump in a half-century and then unacceptably high unemployment.

Desire for Change Grows

Many, even in the United States, now feel there has to be some change in the way the system works. What has come about here is the sudden recognition that exports create jobs — in fact 4 out of 5 new jobs in manufacturing, according to a recent survey — and that there has been a significant shift from the domestic to the international sector by many U.S. companies.

When representatives of Caterpillar Tractor, General Electric, Ingersoll-Rand and other leading exporters told Congress, the White House and in some cases the president himself that they are being hurt by the overvalued dollar, there has to be some policy response.

C. Fred Bergsten, director of the Institute for International Economics, found that the biggest single source of the economic downturn of 1981-82 was the steady decline of net exports of goods and services. So in return for the privilege of almost unlimited borrowing from other countries, U.S. companies, and workers, are asked to pay a high cost.

One of the key questions at Williamsburg will be whether formulas can be found to make the privileges, and the costs, and they are distributed domestically and internationally, more equitable.

The New York Times

CURRENCY RATES

Interbank exchange rates for May 20, excluding bank service charges.

	\$	£	D.M.	F.F.	Y.F.	Sw.	S.F.	S.P.	J.Y.
Amsterdam	2.775	1.232	11.282	37.285	1.389	77.78	5.28	124.4	214.4
Berlin (b)	49.4	22.0	78.0	4.44	3.285	17.78	5.28	124.4	214.4
Frankfurt	2.47	1.12	11.28	37.28	1.389	77.78	5.28	124.4	214.4
London (b)	1.567	—	—	—	—	—	—	—	—
Paris	1.072	0.48	16.65	53.76	2.063	112.48	6.56	148.8	288.8
Rome	1.366	0.62	21.36	69.08	2.766	148.48	7.04	158.4	308.8
Stockholm	1.072	0.48	16.65	53.76	2.063	112.48	6.56	148.8	288.8
Switzerland	1.48	0.68	23.36	75.36	2.966	160.48	7.68	172.8	348.8
Tokyo	1.612	0.74	25.36	82.08	3.266	176.48	8.32	188.8	378.8
West Germany	1.072	0.48	16.65	53.76	2.063	112.48	6.56	148.8	288.8
Yokohama	1.612	0.74	25.36	82.08	3.266	176.48	8.32	188.8	378.8

Dollar Values

	U.S.	£	D.M.	F.F.	Y.F.	Sw.	S.F.	S.P.	J.Y.
0.001	1.000	0.48	16.65	53.76	2.063	112.48	6.56	148.8	288.8
0.002	2.000	0.96	33.30	107.52	4.126	224.96	13.12	297.6	577.6
0.005	5.000	2.40	83.25	268.80	10.315	562.40	32.80	744.0	1444.0
0.010	10.000	4.80	166.50	537.60	20.630	1124.80	65.60	1488.0	2888.0
0.020	20.000	9.60	333.00	1075.20	41.260	2249.60	131.20	2976.0	5776.0
0.050	50.000	24.00	832.50	2688.00	103.150	5624.00	328.00	7440.0	14440.0
0.100	100.000	48.00	1665.00	5376.00	206.300	11248.00	656.00	14880.0	28880.0
0.200	200.000	96.00	3330.00	10752.00	412.600	22496.00	1312.00	29760.0	57760.0
0.500	500.000	240.00	8325.00	26880.00	1031.500	56240.00	3280.00	74400.0	144400.0
1.000	1000.000	480.00	16650.00	53760.00	2063.000	112480.00	6560.00	148800.0	288800.0

INTEREST RATES

Key Money Rates

	1 yr.	2 yr.	3 yr.	5 yr.	10 yr.	15 yr.	20 yr.	30 yr.
1A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
2A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
3A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
5A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
10A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
15A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
20A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%
30A	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%	9.9%

GOLD PRICES

	1 oz.	1/2 oz.	1/4 oz.	1/10 oz.	1/20 oz.	1/40 oz.	1/80 oz.	1/160 oz.
1A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50
2A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50
3A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50
5A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50
10A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50
15A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50
20A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50
30A	320.00	160.00	80.00	40.00	20.00	10.00	5.00	2.50

Prices Off Slightly On NYSE

Compiled by Our Staff From Dispatches
NEW YORK — Prices on the New York Stock Exchange lost ground Friday for the third session in a row as the market continued to reflect investor concerns about the direction of interest rates.

The Dow Jones industrial average slid as much as seven points during the day but pulled up slightly near the close to finish with a loss of 1.35 points at 1190.02, the lowest level since it finished at 1,187.21 on April 25. For the week the Dow fell almost 29 points, its largest weekly drop since the five sessions ended Oct. 29, when it fell 39.65 points.

Declines led advances, 842 to 729, as volume slumped to 73 million shares, the smallest turnover since April 8, from 83.26 million Thursday.

Analysts said investors moved out of the market ahead of the weekly money supply figures, released after the close. The M-1 measure of the basic money supply has grown faster than the Federal Reserve's target growth range of four to eight percent annually, and Wall Street is still concerned that the central bank may tighten credit restraints if the measure continues its rapid expansion.

The market got a boost from the 2.4-percent rise in April durable goods orders. However, Monte Gordon of Dreyfus Corp. noted that the news "may have reignited some old fears that lay dormant — that as the economy picks up strength, interest rates may also start to rise and the inflationary spiral will resume."

Analysts also said that Friday trading was a continuation of the correction to recent gains. The Dow had climbed almost 108 points between April 11 and May 6, when it hit a record high of 1,232.59, and has meandered down about 43 points since.

William M. LeFevre, vice president of investment strategy of Purcell, Graham & Co., said that disappointment over the rate of increase in the gross national product in the first quarter of this year, reported Thursday, and the "sharp drop in bond prices were responsible for [beginning] the sell-off in the stock market."

Trade Lattimer, vice president of Evans & Co., noted that another market depressor was the statement by David Maxwell, chairman of the Federal National Mortgage Association, who predicted Thursday that "interest rates could rise sharply by the end of next year because of the huge Federal budget deficits."

Miss Lattimer said the market's correction, which started two weeks ago, still had a way to go before prices again begin moving upward. She noted that the institutional accounts currently were mostly sellers and that "the small investors are buying less stocks than in previous weeks."

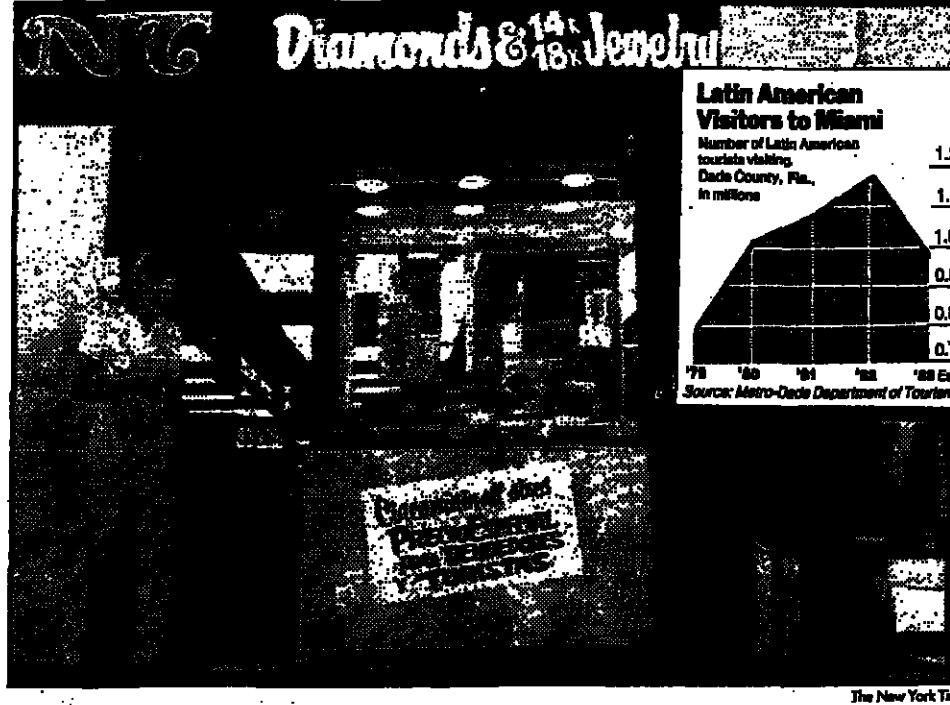
On the NYSE floor, Communications Satellite, whose shareholders approved a 2-for-1 stock split, was up 3 1/2 at 75 1/2. Stock Inc., a 1 1/2 winner Thursday, was also higher.

Natamex was up 1/4 to 18 1/2. The company said it could not explain the activity in its stock but various reports said the company was a potential takeover candidate.

ACF Corp. was sharply lower after the company cut its dividend payment to 35 cents a share from 40 cents a year ago. The company said its earnings slide might not have reached bottom.

Kaiser Steel slipped. Kaiser officials terminated talks to sell the company to Minneapolis financier Irvin Jacobs. Mr. Jacobs said he wanted a seat on the company's board and Kaiser said it would fight him.

Chemung Engine, which skipped 2 1/2 Thursday, was lower again. The company said it expected to report a second-quarter loss that would be larger than the \$5.6-million loss posted in the first period.



A clerk stands outside a downtown Miami store that caters to the Latin tourist trade, which has fallen sharply. The sign says special prices are offered to vendors and tourists.

Latin Economic Problems Wash Up on South Florida

New York Times Service

MIAMI — Economic downturns in Latin American countries are causing serious financial trouble for many businesses here.

Latin tourist traffic to South Florida, once a reliable hedge against domestic recessions, is in a slump and it is unclear when an upturn may occur. Foreign investment in real estate in the area has dropped and is expected to decline further. Two international banking agencies have announced plans to close as financial transactions have diminished; others have reduced staff and hours.

Some believe that the slump is exaggerated. "The general concern is that Florida is going down the drain with Latin America," said Peter Gensert, chief of the Latin American Trade Office of Florida's Department of Commerce. "There are ups and downs and things like that, but it's not catastrophic."

That may be the case in general, but not for those businesses that prospered because of Latin tourism, specifically such businesses as retailers in the downtown area, real estate concerns, hotels and the resort industry.

The Latin tourist influx began in the 1970s, when the economies of some Latin nations received a major boost from price increases for their oil.

Late in the decade, the number of Latin Americans traveling to Miami increased about 20 percent a year. Last year, however, the number declined 6 percent from the previous year, according to Dade County's tourism department. And the department expects a drop to about one million visitors this year from 1.2 million last year.

"We expect this summer won't be as strong as in past years," said William Anderson, the department's director of research.

As the temperature rises in Miami, it falls in South America, prompting the northward migration of tourists in search of sun, fun and merchandise. It is the

Latin tourist who made tourism in Florida a year-round business.

Because of large currency devaluations in many South American countries, however, Latin tourists will pay more for goods bought in Miami. "It's not as economical to come up here as before because of the devaluations," said Raymond LaCombe, an economist and a vice president of Barnett Banks of Florida Inc.

Devaluations, along with trade restrictions and monetary controls, are expected to affect foreign investments, banking, tourism and trade.

Devaluations in three countries — Mexico, Venezuela and Ecuador — have taken a heavy toll on consumers in those countries. "We estimate they're losing \$5.7 billion in purchasing power," Mr. LaCombe said.

Because of the expected decline in Latin tourism, many retailers in downtown Miami are girding for what may be a slow summer season. "We are changing strategy completely," said Willy Gort, executive director of the Downtown Miami Business Association. "The advertising is going totally local now."

Mike Brazlavsky, owner of a men's shop in downtown Miami and vice president of the downtown business group, said his business was down 25 percent to 40 percent from last year's level. He estimated that sales at nearby electronics shops, once the favorite for shopping sprees, were down about 60 percent.

But he remembered days, just a few years ago, when the South American tourist was a very important customer. "They were big spenders, there's no doubt about it," he said. "You could see them walking down the street with bags of merchandise."

Declining petroleum prices have profoundly affected the oil-producing countries of Venezuela and Ecuador. According to Dade County's tourism department, the number of visitors from Venezuela in January 1983 fell a slight 1 percent from the previous year.

(Continued on Page 13, Col. 6)

Baldrige Sees Wider Trade Rift

United Press International

TOKYO — The \$20-billion-a-year trade deficit of the United States with Japan is likely to grow and erode the U.S. consensus for free trade, Commerce Secretary Malcolm Baldrige of the United States said Friday.

Mr. Baldrige, who had arrived Tuesday for talks with Japanese leaders, said that with an increased trade deficit in Japan's favor "it looks like the consensus which supports free trade is going to be further eroded."

Referring to the Japanese practice known as targeting, Mr. Baldrige said businessmen in the United States fear Japan's industrial policy of aggressively aiding high growth.

Such targeting by government and industry has helped Japan rapidly expand its market share in such fields as steel, automobiles and electronics at the expense of imports.

U.S. businessmen fear that Japanese targeting, aiding expanding industries such as computer technology, may undo the benefits of concessions to ease trade friction between the two countries, Mr. Baldrige said at a luncheon of the National Press Club.

Mr. Baldrige, scheduled to leave for Beijing Saturday, warned that computers are an area in which "it's possible the government is thinking of negating the effects of trade liberalization."

Mr. Baldrige said, however, that it is too soon to speculate what the United States might do to counter the "trade-distorting effect" of targeting.

"This is a difficult issue," Mr. Baldrige said. "I know Japan is not the only country with an industrial policy. But when industrial policy reaches out of a country and affects trade... when it affects market access, it becomes a matter of serious concern."

A joint U.S.-Japan working group on industrial policy has not yet reached an acceptable definition of what constitutes industrial policy.

Mr. Baldrige said he was happy with recent steps by Tokyo to open its markets to foreign goods but added, "We still have some concerns."

Mr. Baldrige Thursday completed an agreement with Nippon Telegraph & Telephone to promote technology exchange and sales of U.S. telecommunications equipment to Japan.

Japan bought only about \$80 million in telecommunications equipment from the United States last year, compared with about \$800 million in U.S. purchases from Japan, Mr. Baldrige said.

NTT's purchases in the United States came to less than 1 percent of its total expenditures, he said.

"We both agreed that has to be expanded substantially," the commerce secretary said.

Mr. Baldrige is to go to China Saturday to help pilot agreements on textiles and high-technology transfer and to attend the opening session of a joint Sino-U.S. cabinet meeting.

Mr. Baldrige met with Prime Minister Yasuhiro Nakasone Friday and with Foreign Minister Shintaro Abe Thursday.

Mr. Abe warned Mr. Baldrige that Reagan administration attempts to curb technology transfers to the Soviet Union could sour relations with its allied trade partners.

U.S. New Orders Up 2.4%; Surge Tops Expectations

United Press International

WASHINGTON — New orders for durable goods surged a larger-than-expected 2.4 percent in April, climbing above the \$30 billion level for only the third time in a year and a half, the Commerce Department said Friday.

The gains were widespread, the department said, but aircraft orders helped the most by getting back to a more typical level after being depressed in February and March. Economists had expected a gain of about 0.8 percent.

New orders for manufactured durable goods totaled \$31.83 billion in April, nearly as much as January's \$32.4 billion. March orders were \$29.95 billion. All figures were seasonally adjusted.

Prior to January, orders for autos, machinery, heavy appliances and other durable goods last topped the \$30 billion-a-month level in September 1981.

A lot of improvement remains, however, for durable goods orders to regain the ground lost in the last recession. Just before it began in May 1981 durable orders hit a peak of \$68.3 billion.

Auto orders remained "fairly flat" in April, a Commerce Department analyst said.

The overall April increase was the fifth improvement in six months and more vigorous than most leading analysts had expected.

It would have been even stronger if the volatile category of defense orders, for which the business cycle is largely irrelevant, had not dropped 3.8 percent in April.

February's severe 6 percent setback for all durable goods orders was the only interruption in the strengthening trend since October that has rebuilt new "big ticket" orders from the recession low point of \$70.7 billion.

The category of capital goods other than defense-related products, which makes up 27 percent of the total, shot up 9.6 percent.

Consumer Optimism Up
Americans are optimistic about the economy and will buy cars and homes as long as interest rates do not rise, according to the latest survey by the University of Michigan's Institute for Social Research. The Associated Press reported from Ann Arbor, Michigan.

The quarterly survey, released Friday, shows consumer sentiment at its highest level in nearly six years, with significant improvement during the first three months of 1983.

Early Start Readied By People Express

By Bob Hagerty

International Herald Tribune
LONDON — People Express said Friday that it plans to begin taking reservations for its \$149 trans-Atlantic flights without awaiting formal British approval for the service.

Harold Paret, chief counsel of the cut-rate U.S. airline, said People Express has received "full assurances" that it will be able to begin flights between London and Newark, New Jersey, next Thursday.

Because British officials have told him that final approval is "only an administrative detail," Mr. Paret said, the airline will begin taking reservations Monday.

Spokesmen for Britain's Department of Trade viewed the situation differently. "No assurances have been given," a spokesman said.

He said that an aide to Lord Cockfield, the British trade secretary, spoke with Mr. Paret over the telephone Friday. "He was told the secretary had not reached a decision. Full stop," the spokesman said.

A government source suggested that the airline was trying to jostle the British into quick approval of the service, which already has been cleared by U.S. authorities.

People Express seemed to be "stretching the facts" by indicating that approval was imminent, the source said. He contended that the British government was not being unduly slow about ruling on the matter.

"It's a small company that has been flying only on domestic routes," the source said. "I think it's perfectly reasonable that we look at it carefully."

The British maintain that the U.S. courts do not have jurisdiction over the British airlines on the matter.

Mr. Paret said that British officials have told him the dispute has no bearing on his airline's application.

Another question is the June 9 general election in Britain. Should the Conservative Party lose power, a new government might take a less enthusiastic view of competition on air routes.

U.S. M-1 Rises By \$7 Billion

Reuters

NEW YORK — The basic measure of the U.S. money supply, M-1, rose \$7 billion in the week ended May 11, the Federal Reserve reported Friday after the markets had closed. The increase was much larger than expected.

The Fed also revised the previous week's increase in M-1 to \$4.6 billion from the \$4.2 billion reported earlier. Also revised was the report of April's increase in M-2, a wider money supply measure. The Fed said M-2 was up \$6.3 billion for the month rather than the \$5.4 billion earlier reported.

Analysts had expected an M-1 increase in the latest week of from \$1 billion to \$3.4 billion. The average forecast was for a \$3 billion increase. For some time, analysts had forecast that tax refunds and altered seasonal adjustment procedures would boost M-1 growth in May.

Other than defense-related products, which makes up 27 percent of the total, shot up 9.6 percent.

Consumer Optimism Up
Americans are optimistic about the economy and will buy cars and homes as long as interest rates do not rise, according to the latest survey by the University of Michigan's Institute for Social Research. The Associated Press reported from Ann Arbor, Michigan.

Friday's AMEX Closing Prices

Seen on **Steel** in **Plants** to **Sell** Unit

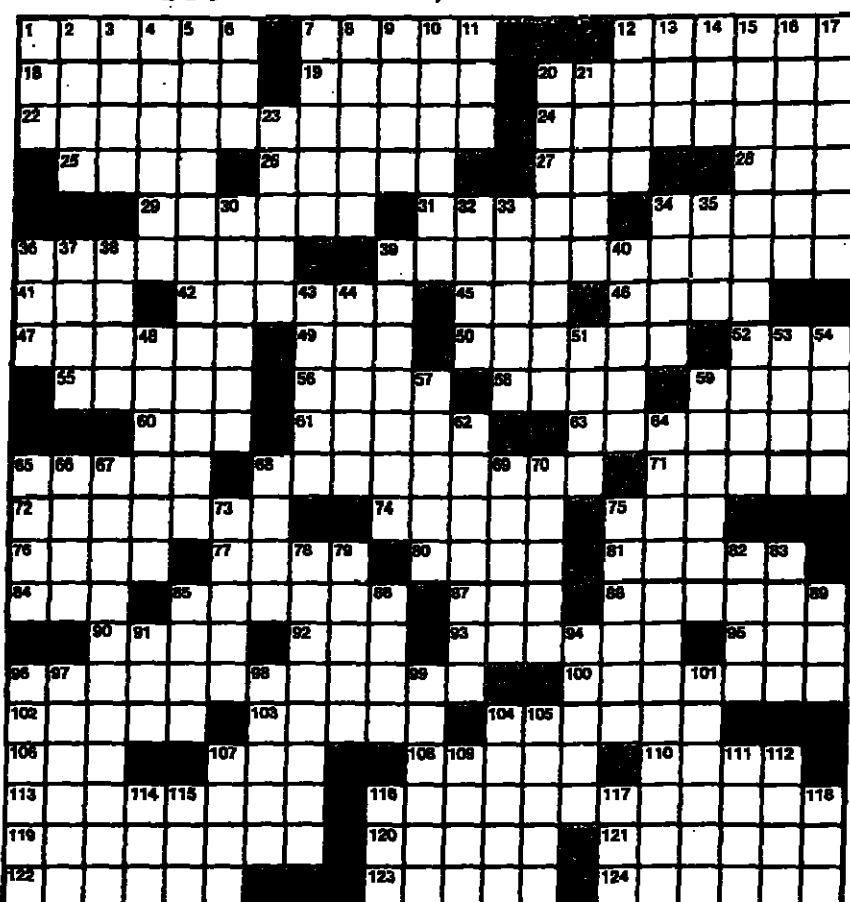
Acquire • Invest • Sell

COMPANY EARNING

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CROSSWORD PUZZLE

Sound Effects By Derrick C. Niederman



ACROSS

1 Voracious S.A. fish
7 Fellow
12 Torture
18 He has pressing problems
19 Byron lass
20 Columbus's garb
22 Napoleon at St. Helena
24 Protective covering
25 Jacob's brother
26 Utah's mountains
27 Willie of boxing fame
28 Born
29 Puget Sound port
31 With 98 Down, 1974 Wimbledon winner
34 Cottler's roof
36 Regal
38 Preseason? 41 Corrie container
42 Director Jules
45 Keelhaul
46 Marine hazard
47 Faulkner's "Dying"

ACROSS

48 Nero's lang.
50 Show
52 Pining
55 Worship
56 E.R.E. ruler: 962-73
58 Wall Street org.
59 Seduction, e.g.
60 Wheel stoppers
61 Like Venus de Milo
63 Forbidden
66 100% pure beef
71 Columnist
72 One who scatters things
73 Tanglewood locale
75 Expert
76 Devoid of interest
77 Blackstone's subjects
80 "Sabbath" author
81 Light-greenish
83 Prowess for
85 Greek beginnings

ACROSS

87 Psa dwelling
88 Aspic
89 Center's cousin
92 Equal: Comb. form
93 Prompt a blessing
95 "Ten thousand" saw—
96 L.L.A. influence?
100 "Goliath"
102 Little sketch of a sort
103 Auto-engine category
104 Bob, for one
105 A U.S. Air, Md.
106 Evil spirit
107 Let's neighbor
108 Sassoon fish
109 Korean dish
110 Competitors
112 Slur over
121 Stand-in
122 "is believing"
123 Dr. J's alma mater
124 "I have"—King

DOWN

1 A.F.I. partner
2 "Rule, Britannia" composer
3 Homophone for rose
4 Prisoner
5 Indian swain on the hunt?
6 Suffix with east or west
7 Prospector's dead
8 Reddish dye
9 Start of a 9-way title: 1979
10 Sraid
11 Webpage
12 Twerp's cousin
13 Genetic initials
14 Pretend

DOWN

15 Local taxes?
16 Hoopster who was once Lew
17 Henry Commager for rose
21 "You... Lovely..."
22 Rodgers-Rort song
23 Chained markers in harbors
26 Like scene
28 Recipe means
29 Filtered with 58 With
30 Arrested
32 Philippine tree
33 Prowess for
36 Sine—non
37 Major or Minor

DOWN

38 Okla. city
39 Beyoncé
40 D.C. art gallery
43 Tree-dwelling animal
44 Physician: Comb. form
45 Canned to go
51 "...ere—Silva"
53 El... Tor.
54 Recipe means
55 Filtered with 29 With
62 Neurons' point of contact
64 Turf-roofed shelter?

DOWN

65 Autocrat
66 Longfellow's bell town
67 Whence the reds came?
68 Shawl
69 Sentence divider
70 Iran—
73 Viking great
75 Armored German style
78 Train warnings
79 Fresh
82 French girlfriend
83 Scotch
85 Mtg. with a doctor
86 Thick fog
88 Shipping w/s.
91 Bauhaus, e.g.

DOWN

94 Mexican communal farmland
96 Fishy sign
97 Chant
98 Sea 31 Across
99 Shoot over
101 Affected person
104 Obays
105 Starts playing poker
107 Cask stopper
109 Pelvic bones
111 What "à la" means
112 Type of hoop or skirt
114 Pl. of T.G.I.F.
115 Strike out
116 Fire, in France
117 Agcy. watch-provender and pills
118 Moon-vehicle unit

BOOKS

1934.

By Alberto Moravia. 297 pp. \$14.50.
Translated from the Italian
by William Weaver.

Farrar, Straus & Giroux, 19 Union Square
West, New York, N.Y. 10003.

Reviewed by Anatole Broyard.

THE trouble with novels of ideas is that the ideas are likely to overwhelm the characters, who then become mere mouthpieces or manikins for the author's preoccupations. The book turns into a contest between the reality of people and the glamor of philosophy or politics. Something like this happened even in Albert Camus' "The Stranger."

Alberto Moravia's "1934," however, does not suffer from this kind of competition, for neither the ideas nor the characters are interesting enough to threaten one another. His protagonist Lucio is an almost incredibly immoral "writer" who believes that suicide is the only logical answer to his despair.

He proposes to write a novel in which the protagonist "kills himself because of a despair caused by a specific political motive in order to allow me to go on living in a despair without any motive." It's a curious notion of literary catharsis. Lucio continues to speak of "stabilizing" his despair in the tone one might use in referring to stabilizing one's rent or one's weight.

Although a rich literature on suicide has grown up in the last decade, Moravia hardly discusses Lucio's project as a symbolic or psychological gesture. His suicidal thoughts, like his despair, are uncritically accepted as philosophical givens. Yet it seems almost impossible to deprive a despairing man of his bit of death-bed rhetoric.

The novelist Daniel Stern, for example, wrote that "suicides were God's graduate students. Their act was, at its best, superior literary criticism." At its worst, according to Joyce Carol Oates, suicide arises out of an infatuation with false metaphors, or a kind of poetic.

One would be grateful for any kind of poetry, good or bad, in "1934." To begin with, Lucio has neither passion nor intellectual dimension. Neither Dostoevsky's Kirilov nor his Raskolnikov would design to speak to him. Even André Malraux's philosophical heroes are livelier. Lucio is essentially a quibbler. He's always inserting "in fact," or "precisely," to give his sentences an air of spurious authority. It's as if he were a clerk in the court of ideas.

In Annapolis, where he is on holiday, Lucio falls in love at first sight with Trude, a young German woman who, he imagines, suffers from a despair much like his own. Though she is accompanied by her husband, Trude and Lucio are forever surreptitiously slipping each other copies of books by Nietzsche and Kleist. One of their favorite lines from Nietzsche is "but every pleasure wants eternity"—wants deep, deep eternity.

Lucio underlines the passage for Trude in blue ink, and when she returns it she has drawn red lines under his blue ones, which he interprets as her desire to lie beneath him in a final sexual consummation of despair before their double suicide. Moravia describes this literary flirtation in one of his typical sentences: "What, in fact, was this pleasure that wanted eternity if not the pleasure of loving without, in doing so, shedding that despair which is, precisely, the realization of the endless void that is eternity?"

The French do this sort of thing better. As someone remarked, they have a talent for profound banalities. Moravia, though, can't seem to rise to lyrical obfuscation; he merely fuses with the mechanics.

Moravia has never had what might be called a style, but now he seems to have developed what could be described as an aggressive absence of style. A sentence like "He resumed eating with intent, choleric voracity" suggests no language at all, neither the original Italian nor the translator's English version. Here's another gem: "I saw the two of us, Trude and me, as the first couple capable of living without the crutch of false hopes, in the cold, clear light of a complete and definitive despair."

As if this were not already sufficiently muddled, Moravia makes a half-hearted attempt to introduce fascism, a portentous theme, into "1934." But, like suicide, it is never actually examined. When Lucio says, absolutely without irony, that Hitler "was not a concise speaker," this is about as searching a comment as we get.

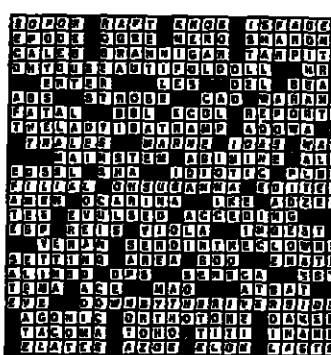
At the end of "1934," Lucio reflects that his projected suicide pact with Trude is "all bad literature." Far from being deterred by this insight, he goes on to say that "precisely because it is bad literature, I, as the very bad man of letters that I am, cannot draw back." Nor, apparently, can Moravia.

Anatole Broyard wrote this review for The New York Times.

DENNIS THE MENACE



Solution to Last Week's Puzzle



WEATHER

EUROPE				ASIA			
	HIGH	LOW			HIGH	LOW	
	C	F			C	F	
Albany	16	61	cl	Beijing	24	75	br
Amsterdam	18	64	cl	Bangkok	28	82	br
Albania	22	72	br	Hong Kong	28	82	br
Andorra	22	72	br	Kobe	27	81	br
Berlin	19	66	br	New Delhi	23	73	br
Brazzaville	23	74	br	Saigon	27	81	br
Buenos Aires	23	74	br	Singapore	27	81	br
Belfast	23	73	br	Singapore	23	73	br
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SPORTS

Vote Is Unanimous; Mexico Will Hold 1986 Soccer Finals

United Press International
STOCKHOLM — Mexico will stage the 1986 World Cup soccer finals, the International Soccer Federation (FIFA) announced here Friday.

FIFA's executive committee announced its unanimous decision after hearing last-minute deputations from the United States and Canada, which had hoped to hold the quadrennial event.

The Mexican delegation spent just 10 minutes in persuading the FIFA's executive committee to accept its bid. Delegations from the United States and Canada testified for 55 and 30 minutes, respectively, in presenting their cases.

Henry Kissinger, the former U.S. secretary of state, led the U.S. delegation and repeated his plea

that U.S. soccer be boosted by the presence of the sport's premier tournament.

"Soccer is the fastest-growing sport in the United States," Kissinger told the world soccer body. "It would be an enormous opportunity to show the various national styles to the American public and make the sport the maybe biggest sport in the United States, apart from the American football."

The heat and altitude of Mexico is likely to present the biggest problems for the 24 nations competing in the 1986 World Cup.

The experiences of 1970, when the tournament was last staged in Mexico, leaves a lingering memory of players gasping for breath in the noonday sun as they battled with searing temperatures and the thin atmosphere.

Noonday kick-off times in some matches — to accommodate live television transmission to Europe — led to some of the games being played in temperatures reaching 100 degrees Fahrenheit (38 Centigrade). Mexicans have said that 1986 matches will be played in the cooler evenings.

Altitudes of over 7,000 feet at Puebla, Toluca and Mexico City added to the difficulties of the 1970 tournament.

Costs also boomed, particularly for the European finalists, who had to make extended trips for acclimatization.

The lead-up to the tournament took on the appearance of a medical teach-in as team doctors exchanged prognoses, some even predicting that the adverse conditions could lead to death.

But despite medical fears regarding dehydration, heat exhaustion and oxygen starvation, there were no major casualties. In the end, Brazil won the title for the third time.

Mexico, which held the 1968 Olympic Games, should be far better equipped than Spain was last year. Most of the facilities from 1970 are operable with good travel arrangements, communications and press centers.

Almost all of the 18 venues suggested — ranging in size from the 110,000-seat Aztec Stadium in Mexico City to the 30,000-capacity grounds at Tampico and Ciudad Juarez — are close to international airports and are linked by good road systems. The final, in 1970, would be at the Aztec Stadium.



Michael Dokes tipped his hat as he tipped the scale at 223 pounds. Larry Holmes weighed in at 213 (236 with his son).

Dokes and Holmes Big Favorites to Keep Titles

By Michael Katz
New York Times Service
LAS VEGAS — The first live heavyweight title doubleheader

choice to win the United States Boxing Association championship and the mandatory challenger position for the next WBC title bout.

Page, who weighed in at 227 pounds Thursday (he was 238 last November when he stopped James Tillis), appears in fine shape despite spraining an ankle 10 days ago. Snipes weighed 216.

With an apparent mismatch for the main event, the card is doing poorly. The 20,000-seat outdoor arena is crowded on the parking lot of the Dunes Hotel. The promoters are having trouble selling tickets, and King and the Dunes have given away many.

Pay-per-view and closed-circuit television sales are also poor. Oak Communications, which has about half the country's estimated 2.6 million "addressable" sets (television sets that can take pay-per-view events) bought this event only for its Miami network of 25,000 to 30,000 sets.

Lou Falcigno, who operates most of the closed-circuit showings in the East, and Madison Square Garden, another subscriber, report sales as "very slow."

Only once before have there been two heavyweight title bouts

First Heavyweight Doubleheader Does Not Excite Las Vegas Bettors

He ranked himself "one of the three greatest" with Joe Louis and Rocky Marciano.

Holmes said he would like to fight Weaver if he regained the WBA title, but he said a unification fight against Dokes would be difficult because "we're both in the same camp." Don King, who used to manage Holmes, is now the champion's main promoter. King's son, Carl, manages Dokes, but then Carl King also manages Witherpoon.

Holmes said he would continue at least through 1983. Now 33, he appears to be in his finest shape in two years. He weighed 213 on Thursday, 8 pounds lighter than he was March 27 for his last fight victory over Lucien Rodriguez. According to Holmes, Witherpoon, who was 219½, "is not qualified to beat me."

Holmes said he was concerned about the Nevada officials because he has been so critical of them in the past, mainly for the scoring in the Gerry Cooney fight last year. Two judges would have had Cooney ahead after 12 rounds but not the challenger been penalized 3 points for continuous low blows.

"If the fight goes the distance, there might be some heavy pay," Holmes said. "There are people out there who don't want to see me be champion any longer."

Holmes has solidified not only his title but his place in boxing history as one of the greatest heavyweights in the sport.

"No doubt," Holmes said. "My record will speak for itself."

Rozelle Suspends Schlichter at Least 1 Year for Betting

The Associated Press
NEW YORK — Art Schlichter, the Baltimore Colts' reserve quarterback who admitted earlier this year that he ran up \$389,000 in gambling debts, was suspended indefinitely Friday by the National Football League's commissioner, Pete Rozelle, for betting on NFL games and other sports events.

The 23-year-old player is definitely out for the 1983 season. Rozelle said his status would be reviewed prior to the 1984 campaign.

Under league bylaws, Rozelle has the option of fining, suspending or permanently banning any NFL player who knowingly associates with gamblers or is involved in gambling activity.

Schlichter, a former Ohio State star, is the first NFL player to be suspended for gambling violations since Rozelle benched Paul Hornung of the Green Bay Packers and Alex Karras of the Detroit Lions for the 1963 season.

In a lengthy statement issued by the league, Rozelle said that Schlichter had admitted placing "sizeable bets on at least 10 NFL games during the 1982 season and postseason," but that he never bet on or against the Colts and that he never attempted to influence the outcome of a game. Schlichter also admitted to betting on other pro team sports.

The commissioner said that several psychiatrists had diagnosed Schlichter as a compulsive gambler. "While I have compassion for him and his illness," Rozelle said, "an NFL player with his record of gambling whether prompted by uncontrollable impulses or not, cannot be permitted to be active in the NFL until the league can be solidly assured that the serious violations of cardinal NFL rules he has committed will not be repeated. Public confidence in the game of professional football requires this."

Injuries Prompt Jones of Rams to Retire From NFL

United Press International
ANAHEIM, California — Bert Jones, the quarterback of the Los Angeles Rams, has announced his retirement after 10 years in the National Football League.

"I'm retiring as a result of injuries I received last year," Jones said Thursday. "I'm not happy about it, but I'm willing to accept the reason why."

The 31-year-old former Louisiana State star underwent surgery in January to remove a ruptured cervical disk and fuse two vertebrae in his neck. Dr. Robert Kerlan, the Rams' team doctor, said Jones "was advised not to play football because of the danger of increased injury to the neck with the possibility of paralysis."

Rockets Win Flip of Coin For Top NBA Draft Pick

United Press International
INDIANAPOLIS — The Houston Rockets have won a coin flip for the Indiana Pacers for the right to choose first in the National Basketball Association college draft on June 28. They intend to select Ralph Sampson, the 7-foot-4 three-time Player of the Year from Virginia.

Sampson had resisted lucrative offers from the pros during his undergraduate days, declaring that an education and his happiness at the Virginia campus were more important than money. Indications are that his salary demands, if met, will make him the highest priced rookie signed by an NBA club.

The two teams with the worst regular-season records compete for the No. 1 draft choice in the annual coin flip. Houston was last in the Midwest Division with a 14-68 record for a .171 percentage, 39 games behind first-place San Antonio. Indiana was in the Central Division basement, 31 games behind Milwaukee with a 26-62 mark.

Houston, which is shopping for a new coach to succeed Del Harris, apparently tried to solidify its chances of selecting Sampson by asking the Pacers to skip the coin toss and taking the Rockets second

NBA Playoffs

EASTERN CONFERENCE
Philadelphia vs. Milwaukee
May 3 — Philadelphia 111, Milwaukee 109 (OT)
May 11 — Philadelphia 87, Milwaukee 81
May 14 — Philadelphia 104, Milwaukee 96
May 15 — Milwaukee 100, Philadelphia 94
May 16 — Philadelphia 115, Milwaukee 103

WESTERN CONFERENCE
Los Angeles vs. San Antonio
May 8 — Los Angeles 119, San Antonio 107
May 10 — San Antonio 120, Los Angeles 113
May 12 — Los Angeles 129, San Antonio 121
May 15 — Los Angeles 129, San Antonio 122
May 18 — San Antonio 117, Los Angeles 112
May 20 — Los Angeles 117, San Antonio 114
May 22 — San Antonio 117, Los Angeles 104

3-4 necessary

Court Hearing Precedes Preakness

Compiled by Our Staff From Dispatches
BALTIMORE — The co-owners of Desert Wine went to federal court on Friday seeking an injunction that would allow their colts to receive the medication furosemide, an anti-blood-thinner, before competing in the 148th Preakness Stakes on Sunday.

The move by Fred Sahadi and Dan Agnew came following a one-hour meeting Friday with officials from the Maryland Racing Commission.

Sunny's Halo, who beat Desert Wine by two lengths to win the

Kentucky Derby on May 7, will break from post No. 11 in the Preakness under Eddie Delahoussaye. His rivals, from the rail out, are Play Fellow, High Honors, Deputed Testimony, Chas Conery, Bet Big, Marfa, Desert Wine, Paris Prince, Fairfame, Common Sense, Flag Admiral and Current Hope.

Sunny's Halo was listed at 2-1 on the morning line but was more likely to go off at 6-5 or less by post time. He is likely to be the shortest-priced Preakness favorite since Spectacular Bid won the race as a 1-10 shot in 1979. The Derby winner made believers out of many skeptics with a sensational workout Monday morning, when he went seven furlongs in 1:24 under a tight hold and with no apparent strain. He has been fighting off a rash and

a ringworm throughout the week, but he galloped very strongly Thursday and looked ready for a big effort.

Desert Wine, with or without medication, has done nothing to suggest he is capable of reversing the Derby outcome. But if he and other front-runners such as Bet Big, Chas Conery and Fairfame put early pressure on Sunny's Halo, they could wear down the favorite enough to give stretch-runners such as Marfa, Current Hope and Paris Prince a better chance than they had at Churchill Downs.

By winning the Preakness, Sunny's Halo would have a chance to become the 13th winner of racing's Triple Crown, if he also can go on to win the Belmont Stakes June 11.

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Gene Richards of the Padres was safe at home as the Mets' Ron Hodges dropped the ball. Terry Kennedy, left, and coach Ozzie Virgil helped out the umpire on the play.

Padres Beat Mets in the Rain, 3-2

The Associated Press
NEW YORK — Eric Show, celebrating his 27th birthday, combined with Luis Delmonico on a seven-inning rain delay to lead the San Diego Padres to a 3-2 victory over New York Thursday night, ending the Mets' four-game winning streak and the Padres' four-game losing streak. The game was delayed 63 minutes by rain.

The Padres took a 1-0 lead in the first inning off Scott Holman (0-2). Gene Richards walked with two out and went to right field on Steve Garvey's single to right field. When Darryl Strawberry overthrew the

cutoff man, Richards broke for the plate. The throw by shortstop Jose Oquendo's was in time, but catcher Ron Hodges dropped the ball for an error.

The Padres made it 2-0 in the second inning. Sixto Lezcano dou-

bled, moved to third on Garry Templeton's grounder and scored on Tim Lincecum's sacrifice fly.

Show (5-2) struck out one, walked three and was replaced by DeLeon after Mookie Wilson opened the bottom of the seventh with a single. At that point, the game was held up by rain before DeLeon went on to record his fifth save.

The Mets nipped him for a run in the eighth on a walk to Danny Heep, a single by Hodges and an

one-out sacrifice fly by Bailor on which center fielder Alan Wiggins made a diving back-hand catch.

San Diego scored an unearned run that proved to be the game-winner off Doug Sisk in the ninth on an error, a walk and two ground balls, with Lezcano getting an RBI. That offset Strawberry's two-out home run in the bottom of the ninth, his third.

Orioles 2, Blue Jays 1
In the American League, in Toronto, Dan Ford's two-run homer with two out in the eighth inning and the six-hit pitching of Scott McGregor and two relievers led Baltimore to a 2-1 victory over the Blue Jays. Ford's fourth home run

of the season came after John Shelby doubled off Mike Morgan. McGregor went 8½ innings in pitching the Orioles to their fourth consecutive triumph. He lost a bid

for the Orioles' third straight shutout when Cliff Johnson hit his fifth home run with one out in the bottom of the ninth.

Red Sox 4, Twins 1
In Boston, Dave Stapleton and Jim Rice each drove in a run with

bloo singles and Tony Armas and Rich Gedman added RBI doubles, leading the Red Sox to a 4-1 victory over Minnesota.

Tigers 2, Rangers 1
In Detroit, pinch hitter John Wockenfuss hit a bases-loaded sacrifice fly in the 10th inning and Milt Wilcox pitched a four-inning shutout, leading the Tigers to a 2-1 victory over Texas.

Mariners 1, Angels 0
In Seattle, Jamie Allen's suicide squeeze bunt in the eighth inning and Matt Young's four-hit pitching paced the Mariners to a 1-0 victory over California.

Line Scores
AMERICAN LEAGUE
Orioles 2, Blue Jays 1
Red Sox 4, Twins 1
Tigers 2, Rangers 1
Mariners 1, Angels 0

BASEBALL ROUNDUP
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Transition
AMERICAN LEAGUE
Milwaukee's Scott Pfeiffer, pitcher, to Vancouver of the Pacific Coast League.
Seattle's Jerry Augustine, pitcher, to Seattle of the Pacific Coast League.
San Francisco's Gene Nelson, pitcher, to Salt Lake City of the Pacific Coast League.
San Diego's Edwin Nunez, pitcher, to Salt Lake City.

FOOTBALL
Canadian Football League
Hamilton's Stan Steve McNeil, linebacker, to St. John's of the NFL.
Edmonton's Dave Gray, defensive tackle, to Vancouver of the CFL.
Calgary's Jeff Gray, defensive tackle, to St. John's of the NFL.
Edmonton's Jeff Gray, defensive tackle, to St. John's of the NFL.

Baseball
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